



Sugarwood Homeowners Association

2019 Annual Members Meeting Minutes

Location: First Baptist Concord, 11704 Kingston Pike, Farragut, TN 37934
Date & Time: January 12, 2019

The 2019 meeting of the Sugarwood Homeowner's Association (hereinafter, "SHA") was held on January 12, 2019, the second Saturday in January, in accordance with the Association's Covenants and By-Laws¹.

Registration of Current Members attending 9:30 – 10:00 a.m.
Sign-in assistants Jeannie Hester, Michelle Broadhurst & Mary Phillips

Call to Order 10:10 a.m.
Chet called the meeting to order at 10:10 a.m., announcing that there was quorum²; 43 SHA members present including proxies; of the 242 current SHA members.

Welcome & introduction of current Board of Directors

Chet welcomed the SHA members and introduced the current Board of Directors

President -	Shane Pohlmann	Absent	Term	2016-2018
Treasurer -	Brian Broadhurst	Present	Term	2016-2018
Secretary -	Roxana Ceausu	Present	Term	2017-2019
Vice-President -	Chet Carbaugh	Present	Term	2016-2018
Director At Large -	Paul Hester	Present	Term	2017-2019
Director At Large -	Tim Phillips	Present	Term	2017-2019

Old Business:

Annual Meeting Minutes Chet referenced and called to approve the 2018 Annual Meeting Minutes provided to the membership in their meeting materials; the minutes were approved by voice of the membership. Ed Whiting/ Brad Rector

A non-voting item was presented and clarified by Tim where the green sheet inside the packet is for adding member's name to a digital/printed directory, if desired by the member. Members can select to have a digital or request a printed copy. Printed copies will be done by request only, in order to minimize printing costs.

Yellow sheet in the Annual Meeting packet is for the voting of directors. Rick Bullock suggested that there should be four (4) positions available not three (3). Tim clarified the Bylaws which allow for five to seven positions; the number of directors to be determined by the Board³. The SHA BOD exercised its discretion provided by the Bylaws to determine the number of directors to be elected at the annual meeting, and the SHA BOD has determined that six (6) directors would be sufficient for the year 2019.

SHA financial condition Tim Phillips, CPA presented the 2018 Statement of Receipts and Disbursements for the period 1 January through 30 December 2018. Tim commented that Adjusting Journal Entries were posted as of December 31st to capitalize the disbursements for 'long lived assets' purchased in the Other Income/Expense section of the Statement under the category "Capital Disbursements", and to record

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depreciation of those assets, along with depreciation of other prior year ‘capital disbursements’. The complete financials reflecting such capitalization and depreciation of ‘capital disbursements’ are presented in the 2018 Statement of Income and Expense and 2018 Statement of Assets, Liabilities & Equity, which are available for review, upon request by SHA members.

Further discussion ensued about improvements and repairs for 2019. Roxana Ceausu presented an overview of the planned improvements to the recreation area and plan for new playground equipment.

One member suggested marking the tennis court for ‘Pickleball’. That suggesting member is to find out the cost involved to so mark the tennis court. The same member informed attendees about NextDoor app which she maintains.

One SHA member requested to know the amount of money in the bank. Tim reported that the total cash in bank checking and savings was \$71,665 as of December 31, 2018.

Tim also commented that the 2018 SHA net receipts and disbursements are in line with those of the prior year. The 2019 SHA member dues are estimated at approximately \$79,000; operating expenses are estimated to be approximately \$73,000; without regard to planned Capital Disbursements.

A proposal to increase dues from \$300 to \$325 was presented. There is a similar \$25 increase for non-residents associate members. Motion to approve by Ed Whiting and seconded by Jim Anderson – motion carried with 40 in favor and 3 against

New Business:

A. Election of Board of Directors positions:

Candidates on ballot:

- Chet Carbaugh,
- Shane Pohlmann,
- Brian Broadhurst

Tim announced that there are three eligible SHA members listed in the Notice of the Annual Meeting and on the ballots, to fill the three (3) the BOD positions available. There was a call for nominations of other candidates from the floor, hearing none the nominations were closed, and a call was made for the vote via the ballots distributed upon sign-in.

Upon review of the tally of ballots, it was noted that the following candidates garnered:

Chet 43 votes
Brian 43 votes
Shane 39 votes

The BOD confirmed that it determined the number of directors on the Board for the year 2019 to be six.

B. Presentation of 2019 Budget and 2019 SHA Member annual fee of \$325

Tim Phillips, CPA presented the Statement of Receipts and Disbursements Budget for the period 1 January through 30 December 2019; which is based on SHA annual fee of \$325, Non-resident associate fee of \$375, operating expenses similar to that incurred during 2018, plus capital improvements of \$26,000.

Tim also noted that Adjusting Journal Entries will be posted as of December 31st to capitalize the disbursements for long lived assets purchased in the Other Income/Expense section of the Statement under the category “Capital Disbursements”, and to record depreciation of those assets along with other prior year capital disbursements. The complete financials reflecting such capitalization and depreciation of ‘capital

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disbursements' will be presented in the 2019 Statement of Income and Expense and 2019 Statement of Assets, Liabilities & Equity, which will be available for review, upon request by SHA members.

Tim opened the floor for discussion and replied to several questions.

1. One SHA member asked about the legal expense budgeted. Tim explained that the BOD has engaged a local law firm to advise and assist in the enforced collection of delinquent SHA annual assessments, in accordance with the Covenants and Bylaws.⁴ Tim also replied in the affirmative as to the favorable cost-benefit question of the legal expenses. Tim also noted that the follow-up Invoice-Statement issued in August on the delinquent accounts cited the pertinent part of the SHA Unified Restrictions which provide as follows:
 - a. "If the Homeowner Fees are not paid within thirty (30) days after the due date, the Association may accelerate, at its option, the entire unpaid balance of the Homeowner Fees and may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and collection costs and reasonable attorneys' fees of any such action shall be added to the amount of such Homeowner Fees."⁵
 - b. Tim also explained that BOD collected the highest amount of fees compared to previous years. The SHA BOD will reduce the number of Past Due Statements this year in order to streamline the process. The BOD has determined that the initial invoice, followed by three Past Due Statements issued every two months and phone calls to collect delinquent HOA fees should not be necessary before proceeding with legal enforced collection.
2. Another member asked about the expenses for lights. Chet explained that the BOD used a substantial portion of the funds budgeted for street lights in 2018 to finish the upgrade of the existing street lights to LED, new lights were also installed to help residents with visibility at night. There is a plan to install 2 new lights at the front of subdivision and two additional ones with locations not yet finalized.

Floor Opened to SHA members

Chet announced that each of the agenda items were addressed and the floor was opened to SHA members for discussion of other matters.

- One member asked about new subdivision, roadwork and how it will affect Sugarwood homeowners and common property. BOD stated no correspondence was received from the town of Farragut. We will try to contact the town and get more information.
- Another member asked about getting printed newsletters and how often they are being issued. Roxana gave information of the different ways to access digital copies however some of the members insist on getting printed copy. Members also advised that newsletter is only printed as needed to make special announcements or to notify members of various meetings or activities.
- Another member inquired on the status of street signs. Chet clarified that signs are being replaced by the Town of Farragut due to federal law changes. Chet will work on getting a timetable for the change of signs.
- Question about barking dogs presented from the floor. BOD advised membership there is nothing that can be done except what is within Covenants and Bylaws. A friendly conversation maybe initiated but usually we have no recourse on such matters.
- The status of the new mowing contract was discussed with present members. The new contract will save the subdivision money.
- Key cards were discussed again this year. Key cards will be issued this year when payment is received. The key card will come with instructions on use.

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Results of voting items A. and B.

Chet announced the results of the votes for the two agenda items

- A. Election of Board of Directors for the two year term 2019-2020
 - a. The “largest number or votes” cast were for
 - i. Brian Broadhurst (43),
 - ii. Chet Carbaugh (43) and
 - iii. Shane Pohlmann (39).
- B. 2019 Budget and 2019 Association fee of \$325
 - a. The 2019 Budget and 2019 Homeowner’s annual fee of \$325 were approved with 40 votes; 3 Against.

Meeting adjourned

11:32 a.m.

Upon a Called for a motion to adjourn and approval by voice vote, Chet closed the meeting at 11:32 a.m.

¹ 2017 AMENDMENT AND RESTATEMENT TO THE 2007 BY-LAWS OF SUGARWOOD HOMEOWNERS ASSOCIATION, INC.

² 2017 Amendment and Restatement, Article III, Section 4. Quorum. The presence at the meeting of members entitled to vote, or of proxies entitled to vote ten percent (10%) of all votes of the members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these by-Laws.

³ Article IV, Section 1

⁴ Article 25, Section 8 of the Declaration of Unified Restrictions, and Article X of the 2017 Bylaws.

⁵ Article 25, Section 8 of the Declaration of Unified Restrictions