

SEDGEFIELD HOME OWNERS ASSOCIATION
ANNUAL MEETING MINUTES
JANUARY 23, 2022

January 23, 2022

Dave Willis's opening comments informed everyone that 29 different residents have served on the HOA Board since 2015. He thanked all those folks for their service.

Meeting was called to order by Dave Willis. Meeting will be run using Robert's Rule of Order. Numbered index cards were used to identify speakers. Thirty eight families were represented.

Dave thanked all volunteers for their efforts. Volunteers help keep dues in check by not having to outsourcing work.. Ours dues are some of the lowest in Farragut.

DISCUSSION: 2020 Audit Report. Auditors were John Stegner (lead) , Tom Hilton, and Cortney Wanca. Cortney described in detail what each member reviewed and their findings. There were three proposed recommendations.

1. A complete printed file of monthly financial statements, bank statements, and bank reconciliations should be provided to audit team each year.
2. All payments should have attached supporting documents.
3. The treasurer should obtain a third party for approval of expenses.

The financial condition of the SHOA was strong at the end of 2020 and except for two small expenses items the books were in good order. The complete audit report can be found on the Sedgefield website in the October minutes.

MOTION: Brian Friske Approve Audit Report

SECOND: Brian Loveday VOTE: Unanimous Aye

DISCUSSION: Minutes from January 2021 annual meeting. Ginger Peck asked if the 2021 budget was part of these minutes, it was clarified that it is a separate column

MOTION: Tom Hilton. Approve minutes from January 2021 annual meeting.

SECOND: Bonnie Smith. VOTE: Unanimous Aye

DISCUSSION: We will issue a DRAFT annual meeting minutes sometime in February to residents for review and comments. The minutes will still require final approval at next January's annual meeting.

DISCUSSION: Dave Willis reviewed the accomplishments completed in 2021. The entire list was provided in the agenda package for the meeting. Brian Friske asked if it was possible to schedule some work activities on non-work days or times. Response was yes.

DISCUSSION: Cortney discussed Website updates. Current website was 5-10 years old and WIX had aged in terms of the technology used. A new HOA website was created, sedgefieldhoa.com. A new domain was purchased and the prior website is forwarding to the new domain, for now. The new website is based on Wordpress, the most common hosting platform. Cost is \$12 a year for the name, and hosting had to be purchased as well. A 4 year package for hosting was purchased for approximately \$135, (\$33.75 per year). At the end of January 2022 the old website will be decommissioned. Sedgefieldhoa@gmail.com is the email address to use for all communications to the Board. Additionally a link is provided on the website to communicate with the Board. A major advantage is that it can be passed on to future administrators to ensure continuity. One potential opportunity is to link the parking request form through QR code located on the sign. This may be a functional enhancement in the future.

Seth Wilder asked of the origin of the parking permission for overnight parking. Brian Friske said there had been issues with long-term parking there. Sean Thompson asked how much the sign would cost. Dennis estimated \$15 as the approximate cost. The price was questioned so further investigation is needed before any action is taken. Brian Friske wanted to know if the new website would allow digital receipts to be submitted with reimbursement forms. Cortney was not sure but this is something to be investigated. John Duffe asked if we could advertise on website to help fund budget. Sharon Meade questioned whether as a non-profit that would be possible. Both will be investigated.

DISCUSSION: Tessa Faddis reviewed financial statements for 2021. Social Committee hosted nine events. Decorating Committee did a good job with seasonal decorations. New pool furniture was purchase for \$3000 under Other Projects. Brian Friske explained that pool furniture was included in last year's budget of \$7000. Tessa will adjust budgets accordingly. Financial reports are on website included with monthly minutes.

Jeanette Talarico asked what pool furniture was purchased? Dave Willis responded that it was commercial furniture with a 20 year warranty. Four round tables and ten chairs were purchased in December due to long lead time. Current lead time is 20 weeks. Needed to order furniture to ensure it was available for upcoming swimming season. Total cost was just under \$3000. Two additional tables will be ordered for the covered portion of the deck,

Ginger Peck congratulated the Decorating Committee but wanted to know why decorating budget was so low? Dave responded that most of materials used were donated.

David Passmore wanted to know why new tennis court lights were installed. Scott Wenger explained the lights were aged, had fogged lenses, and emitted poor lighting. Replacing individual lights was not practical because they would not match intensity of older lights, i.e., two types of lights. It costs \$800 to rent a JLG to change a bulb. To replace eight lights one at a time it would cost \$6400. The \$4100 spent for new lights was a much better deal. The life span on the new lights is approximately 30 years. Randy Feldman expressed concern about the bright lights at night facing his home. Scott explained that the timer was changed to automatically turn off at 10 PM. Dave Willis suggested that folks having concerns should meet to come up with potential solutions.

Funding for bylaws revisions is included in the Legal line item. State legislature is going to pass changes that may affect bylaws, so we are trying to bring the bylaws into the 21st Century. Becky Duncan-Massey suggested that 35 year old Bylaws should be rewritten using a new current template and not try to modify what we currently have. Dave said that we will form a Resident Committee to get a new template and modify for our needs. The new bylaws will be submitted to the HOA members for approval.

Rich Tegethoff wanted to know if we had the original copies of bylaws. We have copies of both originals and amendments. Copies of bylaws and Covenants & Restrictions are available on website. Sally Hilton commented that [the C&R] originals are on file downtown at the courthouse.

Kathy Hylton asked if the bylaws is the only Sedgefield document being addressed in 2022. Dave Willis responded yes the bylaws is the only document being addressed this year.

Greg Wadsworth wanted to know if neighborhood approval would be required before becoming official documents. Answer was Yes and will be issued for approval.

Ginger Peck suggested that line item changes be voted on rather than the Bylaws on as a whole.

Jane asked whether we needed to wait until the legislature passed the new regulations before we take on updating the Bylaws. It was suggested that we not wait, there is a lot of review to be completed. Tessa reviewed the **2022 Budget** line-by-line. Brian Friske asked if the requirement to go to the Membership for expenditures 10% over the budget, Tessa clarified that this was for 10% in excess of the total budget

Rich Tegethoff asked if the financials include general ledger details (on website), Tessa provided this information is not detailed, but the checks and bank statements are on file and available at request. Increases in lawn/weedcare/Weedman based on quotes received Brian Friske wanted to know why we use Weedman, and we need to address weeds in flowerbed. Dave W provided that we are using chip mulch and trying to address the flowerbeds, and asked for assistance on the Landscape Maintenance Committee. Volunteers also aid in this effort. Brian took issue with the use of Weedman as opposed to targeting the flowerbeds, and Dave W said those are a priority we are trying to address.

Ginger Peck said one of the problems with the Landscape Committee was that they could not keep people on the landscaping committee because it involved manual labor.

Jessica Wilder asked about termite treatment, and Dave W said that termite treatment is on a 5-year schedule, commencing when the Pool building was repaired from the termite damage and the building will be treated this year.

John Dudeff asked if rubber mulch was considered. Dave W said it had not been considered.

Randy Feldman asked of the reason for the increase in the budget mowing/spraying, but Tessa provided that it was because of increased costs of weed control.

Seth Wilder had question about column in 2021 budget, difference between Actual to Date and Actual, and Tessa clarified that this was the difference between estimates and actual expenses.

Brian Friske asked about the difference between Social's Actual TD and Actual, Tessa said this is because of expected outlays from December

Nate Reznicek asked why did the premium on insurance change. Dave W answered this was because we raised the deductible because we have not filed a claim in 35 years and we removed the Terrorism coverage. This coverage did not include vandalism

Nate Reznicek . Since we have a large number of volunteers an indemnification waiver to hold harmless the HOA for liability and participation by volunteers before committing to work in the subdivision is needed.

MOTION: Nate Reznicek. **SECOND:** Tom Hilton. **VOTE:** Two nays, passed.

MOTION: Brian Friske-Increase the Social Committee budget to \$1000. **SECOND:** Randy Feldman
VOTE: Yes 19 No 11. Jane Cade requested that we take \$250 out of Decoration Committee in order to make up the deficit caused by adding to Social Committee budget. No motion was made.

DISCUSSION: Brian Friske wanted to know why a landscape architect was being used for island at Watt Rd entrance. Tessa responded the island needs updating to improve their appearance.

Seth Wilder wanted to know why islands were going to be redone since they were just modified. Dave W said the only island in question was the longest island, which has the three hollies. Brian Faddis said the trees that were pulled out of the island were Bradford pears, which served the purpose of absorbing surface water. The Hollies were bad choice because they do not absorb much water. A landscape architect can tell us which vegetation will help mitigate the water issues on the street, below the bed.

DISCUSSION: Greg Wadsworth wanted to know if courts had recently been resurfaced. Scott W explained that the courts were cleaned in 2020, but the major resurfacing was complete about 5 years ago. Resurfacing must be completed approximately every five years. We are trying to extend the court life as much as possible by patching, which needs to be completed to prevent cracks from propagating. Dave W added that the reserve line item in budget was for tennis court resurfacing.

Fred Talarico wants to know why we are spending so much money on courts. He does not believe that we should spend money to maintain them.

Ginger Peck suggested we need to charge non-residents to use tennis courts. Tessa said that we need to be consistent regarding the pool if we were to charge.

Brian Friske asked where the funds originate if the courts cost \$20,000 every several years. Tessa explained this is because we do cash-based budgeting where we save for these large item expenses. Dave W and Tessa explained how we will create separate Smart Bank saving accounts designated to accrue for large expense. Susan Davidson said that in the late 1990's there was a savings account for the subdivision purposed for emergencies

MOTION: Jane Cade-I move to amend the budget to require the Board to get SHOA member approval for any expenditure that exceeds the 2022 total budget by 10%, which is and additional \$4115. In the case of an extreme emergency, the Board can act without immediate subdivision approval, but they must notify the homeowners and schedule a meeting to explain and receive approval for the expenditure of the money. **SECOND:** Cortney Wanca. **VOTE:** Aye 23 Nay 1.

Randy Feldman asked if this was done last year. Tessa responded with yes, we do it every year.

AMENDMENT: Brian Friske proposed an amendment that any expenditure that exceeds any line item in the budget by \$2000, would require homeowner approval. **SECOND:** Sean Thompson.. **VOTE:** Yes 6 No 21. Motion failed.

MOTION: Scott Wenger made a motion to approve the 2022 Budget. **SECOND:** Susan Davidson.
VOTE: Aye 27. Nay 0 . Budget passed.

DISCUSSION: Savings. Tessa explained we want to create separate savings accounts to save for long term expenses, which will be earmarked for Pool, Tennis Courts, and Emergency/Other Expenses. The

amounts to be placed in each savings account each year is to be determined based on the account balances at the end of each year. Separate accounts ensures the funds are designated for that area and cannot be used for another item. Cortney Wanca stated he was the one who brought this idea to the Board to prevent sticker shock for long term projects, and provide transparency and accountability for these expected long term expenses and to avoid special assessments. He provided insight for how this came to be.

Brian Friske commented he liked this concept.

Sean Thompson asked how much it would cost, and Dave W said there is no cost.

Fred Talarico asked if this would make it easier to steal. The answer was No, it will require all 4 Board officer signatures to create the accounts and will require 2 signatures to transfer/spend the money. The Board also has controls in place to review accounts and account balances at each monthly board meeting. We will go to bank to review signature requirements to withdraw or transfer money from any account.

MOTION: Scott Wenger- Approve using three separate savings accounts. **SECOND:** Nate Reznicek.

VOTE: Aye 28. Nay 0. Motion passed.

Motion by Sean Thompson requiring two signatures to withdraw sums from these savings accounts. This motion was not valid as another motion was on the table, but is a good suggestion, will be part of board processes and will be added to the audit review

Brian Friske said that the bank would not allow this. Tessa Faddis said these balances would be provided in the minutes, but the bank statements can be requested by any Member. Sean Thompson asked if the balances can be published in the financial statements, Tessa Faddis said that they could.

Joel Ewan asked about which account the Board uses for day to day expenses, Tessa Faddis explained operating expenses come from checking, and surplus funds at the end of the year are transitioned to savings. Joel wants to place funds in a high interest savings account.

Brian Friske explained that there were two signatures required for withdrawals when he was Treasurer

John Duffeff wondered if we had a major catastrophe, what we would do. Dave W said we would have a special assessment, dues increase, or take out a loan.

Seth Wilder asked if we could get a summary of how the accounts would be used. Dave W agreed.

DISCUSSION: Traffic Study. Dave W explained the traffic study commences last week. Dennis Smith has been working with the Town of Farragut (TOF) engineer since October on this issue. The TOF will be collecting data to determine the best option(s) for speed mitigation. Joel Ewan asked about gates. Dennis said that it was one of the many options available.

MOTION: Seth Wilder – a special meeting is needed to discuss the remedies suggested by TOF. Wilder withdrew motion.

MOTION: Sean Thompson –a special meeting is needed to discuss the remedies suggested by TOF.

SECOND: Jeanette Talarico. **VOTE:** Aye 12 Nay: 16. Motion Failed.

Dave Willis explained the purpose and needs for each committee.

o Recreation – Pool & Courts

- o Landscaping
- o Advisory
- o Welcoming (fully staffed)
- o Budget (savings)
- o Audit
- o Bylaws
- o Decorations
- o Social
- o Entrances

Jeanette Talarico suggested that we should not have family members of a Board members on the same committee. No further discussion on topic.

DISCUSSION: Open Forum

Joel Ewan asked how a major improvement would be accomplished, e.g., a playground. Dave W said a feasibility study would be required, which would address total cost, insurance and liabilities, utilities, footprint, permit requirements, maintenance, fencing requirements, etc. Joel Ewan wants to be on a committee to create a feasibility study. What questions need to be asked and answered? Tessa suggested that Joel come to the next Board meeting to discuss putting together a feasibility study.

Cortney Wanca volunteered that Facebook discussions are not how the Board operates. If something is to be proposed it needs to come through the Board using sedgefieldhoa@gmail.com email, which is the official form of communication.

Sharon Meade suggested we establish a new Facebook Page

Randy Feldman asked why the tennis courts needed to be resurfaced every five years.

John Dudeff said that he used to install clay courts and suggested we use those.

Randy Feldman asked about using asphalt on tennis courts. Scott W said asphalt would crack, and then the patches would not match the existing surface. The expected life is 5-7 years for the surface which preserves the asphalt base.

Jim Kammerman, has had to pick up dog poop that does not belong to his dog three times this week. Asks that neighbors respect one another by picking up their dog's droppings.

Kathy Hylton wanted to commend Jim Kammerman and Christ Covenant for opening their church for our meeting due to the risk of COVID-19.

Jessica Wilder wants meeting minutes to come out sooner in perhaps draft form to the HOA, perhaps an Agenda could be sent out beforehand. Dave Willis agreed that an agenda could be issued.

MOTION: Jane Cade. I would like to make a motion that the current Sedgefield FB page called Sedgefield Homeowners Group change the name of the page to let residents know that this is an unofficial Sedgefield Homeowners Facebook Page. No one resident should be allowed to use the Sedgefield HOA name for personal use or control. I would like to also make a motion that a new FB page

be created for the official use of Sedgefield Homeowners Board which will be monitored by the current Board going forward.

David Teesdale recommended against the Board running the Facebook page due to liability concerns; Board business should be communicated through email but that a group of residents plus a Board member should administer the page to further communication, but the SHOA owning the page opens the SHOA to liability issues, which, to the extent they exist presently, lie with the author of the page. Additionally, as the current administrator selected by the Board, Teesdale had added a disclaimer to the page which clearly states that the page is not affiliated with the Sedgefield HOA Board.

Sally Hilton said that the name of the current page is misleading. Motion never seconded.

Cortney referenced that he had made a recent post establishing the ownership of the Facebook Group. David Passmore has claimed this as his personal page. Minutes reflect that he was going to relinquish administrative rights to the new Board, which he has not done. Dave Willis suggested that no further action can take place in this discussion since the Board has no control over the FB page and that the owner needs to be present in this conversation to take this any further

Ivan Pasillas wonders what benefit the Facebook page offers.

Randy Feldman wanted to know who was coming off the Board and the length of the remaining terms. Dave W explained that the Board has not yet decided which Board members would leave, but the Board will be addressing staggering the terms

DRAWINGS:

Half-price dues	Jim Kammerman and David Teesdale
Big Kahuna Wings gift certificate	Bill Woodcock
Parrillas Cantina gift certificate	Tim Engvalson

MOTION: Cortney Wanca made motion to adjourn meeting

SECOND: Tim Engvalson **VOTE:** Unanimous Aye