

**SEDGEFIELD HOME OWNERS ASSOCIATION
ANNUAL MEETING MINUTES
JANUARY 22, 2023**

January 22 2023

Meeting was called to order by Dave Willis. Meeting will be run using Robert's Rule of Order.

Meeting Cadence – Roberts Rules of Order

- "Move to discuss item #1 on the agenda"
- Second the motion
- Chairperson restates motion
- Members debate motion
- Members will be given 2 minutes for their statement
- If not enough information is known or shared, the item will be tabled for later discussion or a special meeting. It is anticipated that the meeting will last no more than 90 minutes
- Chairperson restates motion, asks for affirmative votes, then negative votes, counts
- o Chairperson announces the vote and restates action items
- Motion to close item and move to next

Numbered index cards were used to identify speakers. Thirty five of the 138 families were represented, which constitutes a quorum.

David Teesdale: Bylaws

A number of bylaws updates were issued to residents over the past 6 months. A final draft was completed 3 weeks ago. All comments received were addressed and incorporated when needed. A Survey Monkey was issued last fall and 29 responses were received. All comments received were positive. Only 30.77% of the proposed changes received opposition. Since bylaws are not filed with the city an attorney review will not be needed. The initial purpose of the changes were to remove developer language, but to incorporate the additional comments it was decided a whole rewrite was more prudent. Major revisions were to change a Directors term to 2 years from 3 years; the minimum number of Board members was 5; clarification on Board vacancies; updated neighborhood communication to allow it to be made electronically; codified notifying the residents when expenses exceed 10% of the budget; codified an extensive document retention policy; created accounts meant to sequester funds necessary for long term capital projects; and incorporated the 1990 amendments into this rewrite. The new bylaws now provide one document for reference.

Sean Thompson: What changes have been made since Survey Monkey was issued?

David Teesdale: Minimum number Board members was changed to 5 to avoid voting ties. No substantive changes since Survey Monkey was issued. Instead of just doing amendments, a rewrite was done.

Dave Willis: The advantage of creating a new bylaw document was getting rid of multiple revisions and now having one reference document. It eliminates having to read multiple documents and amendments. This is not the end state of this document. When updates are needed please bring them to the Board's attention.

David Teesdale: The CRs will be the next document to be updated.

David Passmore: Wanted to change wording from 10% of budget to 10% of line item.

John Stegner: it sounds like a good idea but on some line items it would be totally unmanageable. It was originally 10% of total budget because it would be a significant amount and residents. I suggest that it not be done. Should be made aware of this expense.

Myra Loveday: I suggest a real-time email is issued informing residents of the need to relocate funds to cover unforeseen expenses for neighborhood upkeep..

Sean Thompson: I think residents should be made aware of when expenses are going to exceed 10% threshold.

Tessa Faddis: We issued an email for the major items, i.e., lighting, landscaping, and pool maintenance.

Deb Stegner: I would like to make a comment about issuing an email anytime you are going to go over or reallocate money. We are voting on Board members to represent us, and we are voting on them because we think they are going to do the best possible job for the subdivision. The monthly email contains meeting minutes and financial statements. They are transparent and explains when money is being moved.

MOTION: Brian Friske Approve Bylaws as written.

SECOND: Cortney Wanca. VOTE: Aye: 26 Nay: 1

DISCUSSION: Board Nominations Dennis Smith. Explained voting ballots have both names and addresses and candidates. Fill out ballots and give to John McMichael and Ashley Stoll. They will register each ballot and separate name from voting portion of ballot so no one knows how a person voted. They will tally votes and let us know the results at end of meeting. There were no floor nominations. Only one vote per household.

Ginger Peck: Who is leaving from the Board?

Cortney Wanca: myself, David Teesdale, and Brian Loveday

Ginger Peck: Thank you for all your work.

DISCUSSION: Annual Meeting Minutes for 2022

Dennis Smith: The 2022 annual meeting minutes were issued for review and comments January 2022. All comments were addressed and/or incorporated. One change was recently was received. The following sentence is being revised to include C&R. *Sally Hilton commented that [the C&R] originals are on file downtown at the courthouse.*

MOTION: Tom Hilton. Approve Annual meeting minutes for 2022 with changes.

SECOND: Brian Friske. VOTE: Aye 33

DISCUSSION: Audit Report

Cortney Wanca The 2021 audit report was issued to everyone via email along with the other meeting documents. Auditors were John Stegner (lead), Tom Hilton, and Kathy Hylton. Cortney thanked each member. He asked for volunteers for next year's audit. He described in detail what each member reviewed and their findings. Everyone paid their dues in 2021. All the financial statements were reconciled.

Ginger Peck: inquired about the findings and that there were ten instances when the same person was signing off on expenses as the person was receiving payment, and that there were reimbursed receipts that were not itemized.

Tessa Faddis: The liaison for respective committees signed off on reimbursements

Dave Willis: He said he was the one responsible for the expenses in question. He was president and also was performing the pool maintenance.

Tessa Faddis: When it was noticed this was happening the process was changed.

Ginger Peck: How were receipts that were not itemized were reconciled?

Kelly Calloway: Audits are made to identify where control measures are falling short, not that wrong-doing was found or that it was rectified. The fact that the procedure was changed should satisfy the auditors finding.

Brian Friske -Clarified that the question was about how expenses and reimbursements were rectified.

Dave Willis: The receipts submitted were not itemized but just a total receipt.

Cortney Wanca: Clarified that receipts were from TN Valley Pool and Spa Pool Chemicals.

Dave Willis: -Said the new cashier at TN Valley Pool and Spa did not provide an itemized receipt because he did not know how to do it. A receipt was available for the purchase.

Tessa Faddis: The audit is designed to identify weaknesses, and we have addressed those findings.

MOTION: Dave Passmore: Made a motion that the Board adopt a procedure to have a set policy for itemized receipts and have a policy in place to ensure this.

Cortney Wanca said that this is a matter about how much you trust the Board. Also this audit is a 100% audit on all expenses, deposits, all financial statements, and all bank statements.

Greg Wadsworth said this is just the bare minimum of what is expected by his employer.

John Stegner said the specific recommendation is in page 2 of the Audit Report; it cannot be any clearer than that.

Jessica Wilder: Said that it is important to have a vote because last year she wanted monthly agenda sent, and she was assured they would be and then they were not.

SECOND: Jim Kammerman. VOTE: Aye 22. Nay: Not counted since majority was Aye.

MOTION: Brian Friske: Approve Audit Report

SECOND: Brian Loveday VOTE: Unanimous Aye

DISCUSSION: Review 2022 Financial Report

Tessa Faddis: Tessa presented that we are about \$3600 (8%) above anticipated expenses. A number of unanticipated expenses: Landscaping predominantly because of a transition to a new vendor. We sought the necessary bids and went with the most viable option. Pool maintenance incurred some higher than anticipated expenses. Another was having to go back and adjust the tennis court lighting, resulting in being over budget.

David Passmore: Why did we have to change the landscaper?

Tessa Faddis He quit.

David Passmore:: Why did he quit?

Tessa Faddis: He said he said he was not receiving payments because he did not tell us he moved.

David Passmore::: Did he change his address and not tell us?

Tessa Faddis: Yes.

Dave Willis: Silver is no longer in the mowing business

Jeanette Talarico: Who are we using now?

Brian Loveday: Sebas

David Passmore: What is average cost of a mowing?

Brain Loveday: About \$325

Greg Wadsworth: Was weed prevention part of this?

Tessa Faddis: Weed prevention is part of landscaping, we used Weedman, half was for Weedman and half for mulching.

Deb Stegner: We are discussing the 2022 financial report, not the 2023 budget. Please allow Tessa to finish her report. Questions about the landscaping budget for 2023 will be discussed in the next agenda item.

David Passmore: How much did we need to spend on fixing the tennis court lights?

Tessa Faddis: Said about \$1,200 and \$1,500.

DISCUSSION: Review 2023 Proposed Budget

Tessa Faddis: We began paying for Rural Metro and had an increase in insurance premium. We want to address the C&R's so we kept a legal expense of \$2000 for that purpose. Landscaping cost is expected to increase. Pool expenses should not be significantly higher, so roughly flat. We do anticipate additional pool furniture to be purchased and we anticipate tennis court needing 2024 maintenance and repairs so we allocated an additional \$1,000 to put into the expense account for that purpose. Tennis court repairs are anticipated in upcoming years so we are allocating funds of about \$1000 to be placed in the savings account for that purpose.

Ginger Peck: - Office supplies were \$80 last year, why \$500 this year?

Tessa Faddis: Invoice costs were not incurred last year, and will be this year

Deb Stegner: Deb had question about landscaping: Have new bids been sought out in 2023?

Dave Willis: We have not in previous years?

David Passmore: Yes we have, we did solicit new bids each year

Tessa Faddis: You did so, but it was not required in the budget.

David Passmore: We used to have six treatments a year, but was only three last year. Did we reduce expenses or frequency?

Brian Loveday: Frequency

Dave Willis: We should talk to Brian Faddis about a commercial treatment to keep the weeds under control.

Fred Talarico: Is there anything we can put down to prevent weeds?

Dennis Smith: What do you use to control weeds?

Fred Talarico: I don't!

Brian Friske: He does not see the value of weed treatment.

Brian Loveday: Dallas grass and crab grass are no longer in common areas. It can cause havoc with mowing due to it being a tall weed.

Thomas Walker: Is any pre-emergent being used?

Dave Willis: Brian Faddis has some chemicals we might be able to investigate.

Dawn Willis: Décor would be happy to give back its budget of \$250 in order to help pay for the weed service and keep the neighborhood looking good.

Davis Passmore: I will help disperse weed control chemicals if that will help.

MOTION: Brian Friske: Increase social and decorating budget by \$250 and not use Weedman. Put balance in savings.

Jeanette Talarico: I want to amend the motion to increase the social budget to \$1,000, eliminate Weedman service, and the remaining savings would be allocated to the savings account.

SECOND. David Passmore VOTE: Aye: 6 Nay: 27. Motion failed.

MOTION: John Stegner: I move that we accept the 2023 budget as written.

SECOND: Courtney Wanca VOTE: Aye:23 Nay: Not counted since majority was Aye.

Election Results: new Board members are Becca Reznicek, Rebecca McMichael, and Randy Crowe.

Door Prize winners;

Half off dues: David Passmore and Herb Strong

\$50 gift certificate for Pope's Nursery: Kelly Calloway

Free oil change at Jones Automotive: Seth Wilder

Ginger Peck: I want a note in minutes that we approved the budget without going line-by-line. We did not discuss social or decorating.

Tessa Faddis: Yes we did. I shared with you that we anticipate tennis courts needing 2024 maintenance and repairs so we allocated an additional \$1,000 to put into the expense account for that purpose. That item is located at bottom of Budget in Capital Projects.

Ginger Peck: Is the \$250 for Decorating Committee still in budget even though Dawn said she would give it back?

Tessa Faddis: Yes it is because budget was passed "as written."

Tessa Faddis: Is there any other business? None

MOTION: Dave Willis. Motion to adjourn meeting

SECOND: Tessa Faddis VOTE: Unanimous Aye