

6/09/12

Meeting Minutes for Bay Meadows Property Owners Association Annual Meeting Minutes (June 09, 2012)

11:00 A.M. Bubba's Brews Grill at Beach Island Marina (Maynardville) TN

In attendance: Carolyn DeWitt and Breck DeWitt – Lot 13, Karen and Bill Schwab - Lots 5 & 6, Jim and Deborah Deam - Lot 12, Grace Davila-Perez and Zoila Garcia – Lot 4, Marsha Grandell-Stevenson and Stuart Ann Bentley and Keith Bentley – Lot 9, Karen E. Stokley & Sylvain Hantzer -Lot 15, Simon Barker - Lot 37 & 38, Darlene Stoll- Lot 17

Meeting started at 11:10 am

Meeting was called to order by Carolyn DeWitt, President

The meeting opened with each attendee introducing themselves, stating where they are from and the lot numbers they own.

President's report:

Shorty Baily who maintains the property and his nephew stopped into the meeting to connect with us as invited. We were able to thank him for his excellent support of our property. We discussed briefly the following items while he was there.

1. Clayton Helms current Highway Superintendent for Union County is retiring. There is a pending election and David Cox is a possible front runner. David Cox has a good relationship with Shorty Bailey and if he wins, we may be able to get better cooperation in our future dealings with Union County addressing the road erosion and maintenance issues we have been experiencing. If you or anyone you know actually has County Election voting privileges, please ask them to support David Cox in our interest.
2. Shorty informed us that an individual expressed interest in our dock and was inquiring if we were interested in selling the portion of the dock which is currently being stored on Shorty's property. As voted by membership at last year's meeting, we removed dock and it has been stored at Shorty Baily's location. We adjusted the insurance to cover the asset as voted by the membership. Carolyn advised we would discuss this later in the meeting under new business. Common options for method of sale in this area in addition to word of mouth are placing it on the internet in sites such as Craig's list.
3. We had voted last year to increase the maintenance care and clearing fee to Shorty Bailey and it has been paid accordingly. Shorty's fee increased due to increased responsibilities of maintenance and work requested increased costs of bush-hogging and additional work such as removal of refrigerators dumped in our lots, etc. Shorty has also suffered damage to his tractor equipment due to local teenagers sticking metal stakes in the brush for him to run over. He believes he has "dealt" with the matter adequately at this point and hopefully minimal vandalism to his equipment will continue.

Currently his equipment is waiting on a faulty part, and he was not able to fully bush-hog the property before the meeting. It will however be completed as quickly as possible.

4. Despite some areas that could be improved, roads basically have held up well from the grading and ditch run-off work done by Clayton Helms' last maintenance. While we would like to have the roads paved, the county is not required to do so until a higher level of residency is obtained. Per item number one, if David Cox is elected the new Roads Superintendent, Shorty Baily may be able to get us in a more favorable position for progress.
5. Security issues have improved from 2 years ago, so far no issues reported for now. Shorty has been doing a good job of keeping up with property. I.e., littering, ATV use, bond fires.

Treasurer's report:

1. We are current on POA dues from all properties except for Lot #19. A lien has been placed May 2012 for 2012 delinquent POA dues and all back penalties. Inclusion of SASE and holding the POA fees for another year at \$250, appears to have helped facilitate the timely manner of payments from owners therefore reducing the number of collection calls significantly.
2. Union County sold Lot #19 tax deed to Fred Staley, in September 2011, who also purchased 2 other properties in the Maynardville area via tax deed sale. There is a one year waiting period for the property owner to pay all taxes, liens and

penalties. If this date passes without satisfaction of outstanding taxes and penalties by the current owner of Lot #19, ownership of the property will then be transferred to Mr. Staley. Outstanding POA dues and penalties would be paid from remainder of funds after taxes and penalties are paid.

3. Simon Barker and Rhonda Mancuso owners of Lot #37 purchased Lot #38 previously in foreclosure.

Treasurer's report reflecting expenses and recovery

Cash on hand 1/11/11: \$ 42,399.78
POA dues income: \$11,790.00
Total expenses: (\$13,822.20)
Balance 12/31/11: \$ 40,367.58

Cash on hand 1/01/12: \$ 40,367.58
POA dues income: \$10,500.00
Total expenses: (\$6,349.36)
Balance 6/9/12: \$ 44,518.22

Breakdown available on PowerPoint that will be sent via email to those who have provided email addresses.

Secretary's Report: (Provided) by Grace Davila-Perez)

1. Website contains information on annual meetings, annual meeting minutes, By-Laws, Covenants and directory of owners with contact information and officers. The website has just been renewed in April 3, 2012 for an additional 2 years providing us website through April 3, 2014.
2. Email is the PRIMARY method of communication for all matters. It is therefore imperative that we receive from you any updating of email addresses. Please send any changes to the Secretary's email
3. We did not receive any solicitations regarding any topics wanted to be covered in this meeting.
4. Postcards: or regular US mail is used for those individuals who have not provided or maintain a current email with us. Only Annual Meeting Notices, Annual Meeting Minutes and Dues Invoices can be managed in this manner.
5. It is extremely important that owner's notify us of any changes to their street mail address or any contact info. Consequences such as not receiving meeting notices, dues invoices and the like as a result of not keeping us current, will be the owner's responsibility. Any late fees or penalties incurred will not be waived. Please be considerate of the people who give of their time to manage the officer positions.
6. List of owners with address, phone numbers are posted on Website, please review for any needed corrections. A hard directory was passed out at the meeting as well.
7. WebEx /Conference calling use to conduct virtual annual meeting: – we have discussed this option several years in a row, but, no interest has been expressed for us to pursue this. Although we may be able to conference via the internet, there still would be a challenge in the audio as the owners joining via internet may not be able to hear audio of owner's discussions during the meeting.

Owners must have internet access for visual presentation. Audio bridge can be joined from any phone.

Owner's expressed an interest in receiving the power-point presentation in hard copy at the meeting, so they can take notes and see the smaller type.

New business:

1. **Dock for sale?**

a. **Shorty reported to the Treasurer that some people had inquired about if we would be interested in selling the dock that he is storing on his property for us.**

b. **This resulted in a substantial discussion with some the points below:**

- Base of dock still there, only the floating portion in storage.
 - \$780 insurance being paid on the dock as part of our asset and liability coverage. More information is needed to understand how much of that covers the floating portion in storage and what the replacement value is of same.
 - TVA granted rights to Waterfront for the initial Day-dock. Darlene Stoll raised the question, if by the removal of partial dock or the sale of the partial dock or by not reinstalling the full dock within a timeframe, would we lose right to TVA access? This would need to research by the new board.
 - It was noted that the fluctuation of the water due to rain, draught, TVA control via damn creates unpredictable use and safety of the dock. That was one of the main reasons we had it removed due to the stealing of expensive dock floats and liability.
 - It was also noted that some expressed concern that it will be several years before any residents are there to need a more extensive dock. In the meantime, the removed dock will continue to deteriorate.
 - When and if we are ready to re-install a dock, will it need to be a different configuration more suitable to water level fluctuations?
- c. Motion was passed by Simon Barker to have the new Board get position from TVA on rights of access as a result of removal of dock due to stolen floats and are we obliged to replace that portion missing ; obtain information from insurance company on the insurance portion covered on portion remaining on land and reduction of insurance if part of dock (if you sell dock does it change position insurance coverage claim if part of the dock is sold); value we could obtain for selling part of dock prior to posting to the owners the sale of dock.
Once all 3 items obtain then we go out to membership to get vote on possible sale of partial dock. First portion of motion amended by Carolyn DeWitt to include finding out if original dock was permitted in the deed or records filed to try and obtain the facts. Motion was seconded by Jim Deam. Motion passed. No opposition.

2. Election of new officers:

Board proposed a slate of candidates for 2012-2014 term:
Ed Lengyel, from Salem, South Carolina -Lot 11 for President
Simon Barker from Tampa, Fl – Lots 37 and 38 for Treasurer
Bill Schwab from Loveland, Ohio – Lots 5 and 6 for Secretary
Carolyn DeWitt from Brentwood, Tennessee – Lot 13, Retention of State Agent

Motion passed all in agreement.

3. ByLaw changes:

Two bylaws changes were proposed before the membership by Carolyn DeWitt.

Proposed 7.1, mechanism to have 3 persons required for the Board in order to break a tie. The first bullet point is the current bylaw language. The second is the proposed change.

- **7.1 Number; Titles:** The officers of the corporation shall be elected by the Directors from among the members of the Board of Directors and shall be a President, a Secretary and a Treasurer. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary shall not be held by the same person.
- **Change to: No single person will concurrently hold more than one Board position.**

Motion passed.

Proposed 8.2 to require 2 persons to authorize checks, payments.:

Requiring 2 persons to authorize issuing of check or removal of monies from accounts via physical checks or electronic means.

- **8.2 Checks:** All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.
- **Add: Access to withdrawals by check or any other means will require the signature either electronic or by written signature of both the Treasurer and President; unless in a given officer structure the Treasurer and President were related by marriage, family, co-ownership or relationship other than association membership; that may be deemed by the membership as potentially “at risk” for the association.**

Motion passed.

4. Conference calling expense:

We currently are paying \$468 for our Webex conference calling service for board to conduct business meetings during the year and at times to conference vendors or other experts related to board business. We found a free conference calling option that may allow us to exit our current charged service of WebEx account. If the future board or membership decides it needs the more extensive capabilities of the Webex type service, they can always restore the service.

Motion made by Carolyn DeWitt to discontinue this WebEx account and replace it with the free service, until such time the Board has need for more extensive capabilities. Motion passed.

5. Annual Association fee:

Two years ago, we reduced our association fees from \$400 to \$250 per lot, due to economic conditions. In 2011, we had \$2032 more in expenses than dues income.

Discussion points included:

- We could maintain reduced fee of \$250 thru 2013 and then consider increasing it next year depending on circumstances. We were reminded that we had much better compliance on dues collection at the reduced rate. Many are still struggling financially and this may reverse our member’s ability to pay.
- This year we had the unexpected dock removal fee of \$1200.
- We will not have the Webex expense of \$468 this coming year setting a trend of annually reducing the general fund. That the goal should be income equal to expenses.
- Others felt that we had a more than substantial general fund and that dues should not be raised.
- It was noted that the fund would be quickly depleted if we were to have a significant legal issue or action determined by the membership (such as to erect security measures, pave roads or build a community area).
- The Board will have to review the facts and propose at next year’s meeting what the fee will be for 2014.
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Motion was made by Carolyn DeWitt and seconded by Deborah Deam that we extend the \$250 per lot fee for the 2013 billing cycle. The Board will have to propose a fee structure at next year’s meeting based on current finances.

Motion passed, all in agreement.

6. Other issues:

Last year, it was brought up in our annual meeting the possibility of bulk selling all properties.

Bill Schwab did some research on this.

Total Land Sales by Waterfront for Bay Meadow totaled \$2.2MM combined for the 146 acres. He reported that by his research the market would currently not support a 75% of current market value sale price.

- Darlene Stoll stated by her view of the market that comparable lots would not even sell for 50% of their value.
- Carolyn DeWitt pointed out that a residentially zoned and utility improved piece of land at 147 acres may not be readily available in the area. Just pointing out that the market for a property of that type may fetch a higher price compared to individual property sale prices.
- A committee would need to be created of at least 2 volunteers from owners to do research and proposal to owners. Last year it was proposed, we were not able to get volunteers to continue.
- Even if we were able to get 75% or 50%, the question would be whether owners would be interested in even pursuing said reduction in pricing.
- It was determined to let the idea sit for another year to see how the surrounding market improves.

Outgoing President Carolyn DeWitt was appreciative of the incoming Board for agreeing to accept their new roles. She encouraged all owners to “thank” the incoming Board for finding the time and lending their talents for the good of all POA members. A sincere thank you to the outgoing Board was also extended for their dedicated and excellent service to the POA.

Meeting adjourned 1:00 pm