Sugar Valley Lakes Homes Association, INC

MINUTES – ANNUAL MEMBERS Meeting

## January 26, 2019 at 9:00 AM – Sugar Valley Club House

## Call to order, Pledge of Allegiance and Invocation

## Bill LaPorte was absent

## Jim Brown gave the invocation

## Introduction of candidates and their brief remarks – 3 minutes for each candidate

## Candidate David Hamilton spoke

## Candidate Sandy Sand spoke

## Candidate Mike Barrett spoke

## Last call for marked ballots

## Ballots were moved to the office for counting.

## Approval of previous minutes for the January 2018 meeting

## Motion to approve: Ron Stanley, second – Mark Grinke. Motion passed.

## Chairman of the Board Report

## Chairman Otto thanked all who were present for the opportunity to serve and said he looked forward to spending more time with family.

## Otto ceded his remaining time to Board member StClair who read the attached paper. She received and ovation when she was finished.

## 

## Manager Report

## Morrell reported the following:

**Highlights of Year**

Wrote and had approved ‘guiding documents’ for the Association to include Mission Statement, Vision Statement and Values Statement.

Widened and improved the SVL Club House entryway off Fairway Drive.

Replaced and widened the entry way to the Banquet Room entrance to the SVL Club House.

Brought in more revenue (about $100K) and came out about $42K in the Black.

Budget report is in the meeting documents package. Highlights:



* $100K over budgeted revenue.
* $52K over budgeted expenses – overall in the BLACK by almost $42K.
* Over expense in GEN ADMIN category ($69.5K) in part due to foreclosure costs – almost $21K.
* Golf Course expenses down by about $22K – but, still lost about $42K
* Club House/snack bar operations lost over $69K.
* Tank Truck revenue netted almost $9K in a year where truck needed over $10K in repairs
  + This does not consider not calculating depreciation.

Eighty per cent of members paid their dues.

Ended a costly monthly contract for legal services. Now paying only for actual time used and saving significantly.

Ended costly fiscal services arrangement formerly provided by a local accounting service.

Improved signage at SVL with new street signs and new entry sign.

**Challenges and Priorities for the upcoming year**

Continue to improve roads with more grading, better grading and continued strategic allocation of gravel.

Continue to have Board strengthen commitment of honoring the By-Laws, Covenants and Restrictions for the common benefit of the members.

Undertake and finish lake and dam repair work required by the State of Kansas.

Support Linn County Rural Water District #2 as they continue to work on greater water access for the SVL residents.

Increase percent of annual assessment payments.

Improve Association IT capabilities to facilitate better administrative and member services. Electronic opinion polling, more automation and less manual work of our financial systems, improving ways in which to market and increase sales of Association owned lots are top priorities.

Seek Board and member approval on a plan to either eliminate or significantly decrease Association indebtedness.

Maintain the golf course as is and find ways to continue to cut costs.

Find ways to cut costs while increasing revenues at the 2 Club House snack bar operations.

## Committee Reports: Recreation, Publicity, Audit, Beautification, Architecture Committee Sign-ups available today.

## No Committee reports

## Open Forum

## Many issues mentioned by members who were allocated 3 minutes to speak and opine.

## Snack bars losing money

## Shower Houses in disrepair

## Animal Shelter near SVL Compactor

## Marketing of lots for sale

## Office hours on Saturday morning

## Signs issues

## Amending Covenants

## Kudo’s for property improvements

## Leveraging by-laws to improve the Association

## Thanks for making ‘burn pile’ accessible

## Question if new internet service was available – no one had knowledge of it

## Morrell introduced Association employees present: Mitchell, Brown, Edgerton, Barrett, Cunningham, and Birdsong.

## Election results were announced.

## 1003 - Total HVL Lots

## 3230 - Total SVL lots

## 4233 - Total properties

## 263 - HVL owned lots

## 540 - SVL owned lots

## 3430 - Total qualified lots

## 343 - Quorum Required

## 

## Final Tally of Votes:

## 289 - David Hamilton

## 192 - Mike Barrett

## 174 – Sandy Sands

## 004 – Kenny Otto

## 001 – Deb Veatch

## Did not meet quorum as required by by-laws.

## Sands suggested that the top-2 vote getters should be chosen to serve.

## Board had a 5-minute executive session.

## StClair made the motion below, seconded by Lance. Passed unanimously.

Motion to appoint new Board Members due to lack of a quorum

The Board of Directors move to appoint the 2-top vote-getters in today’s election.

Namely: 1) **David Hamilton** and 2) **Mike Barrett**

BACKGROUND INFORMATION:

By-Law ART. 13, SEC. 4 stipulates that a quorum of 10% of members eligible to cast votes must be met for said vote to be valid.

For the election today – JAN 26, 2019 – that quorum was not met.

By-Law ART. VII, SEC 2 stipulates that in case of Board of Director vacancies they shall be filled by the remaining Directors.

## Adjourn

## Motion to adjourn made by Rinke and seconded by Smith. Motion passed.