

May 2020 Documents

- Board Meeting Minutes 5/9/20, 3rd Quarter
- 3rd Quarter FY20 Financials
- Letter Concerning August 15, 2020, Annual Meeting
- SHPOA Building Plan Approval Form (Updated)

SKY HARBOR POA
Board Meeting
May 9, 2020
10:00 AM
Zoom Video Conference

Board Members in Attendance: Randy Lange, Chris Muster, Mark Brandenburg, Kelly Frontroth, Billy Duncan, Melissa Bingham, Howard Ohl, Kenny Adams, Emil Guminey, and Michelle Madewell.

The meeting was called to order and opened in prayer by Chairman Randy Lange at 10:05 AM

There were 2 emails from members concerning road/safety issues and will be covered in the Road Safety Committee report.

Sky Harbor POA Board Meeting Minutes for Saturday, February 8, 2019, were emailed to all of the board members by Kelly Frontroth, Secretary, prior to the meeting.

Mark Brandenburg moved the minutes be approved as submitted. Motion was seconded by Howard Ohl. With no additions or corrections to the minutes, the minutes were approved as submitted.

10 For, 0 Opposed, 0 Abstained.

Treasurer's Report was submitted by Mark Brandenburg, Treasurer. *See attached Profit and Loss Statement and Financial Statement.*

Old Business:

Committees:

Architectural Committee

Emil Gumieny

Contractors/owners are starting to respond to submitting the required information to the Architectural Committee required by the CCR's. There are a couple of issues to be addressed by the board.

- 1) Article VI Preservation of Trees in the CCR's states, "With the exception of clearing underbrush, no living trees shall be removed from any lot without written permission of Sky Harbor Property Owners Association, Inc." The intention of this Article is to prevent clear cutting

Emil has received a request from a property owner that wants to clear a section of her lot for a driveway and parking. Member actually will not be building for approximately another year. As no member of the board is a horticulturalist, Emil felt the best way to resolve the issue of what could be cut without danger of causing erosion or landslide was to have the property owner provide a tree survey of what would be cut. The board agreed to this

recommendation. Kelly Frontroth mention that sometimes an insurance company requires a tree be cut down, as it is close enough to a home and has a high probability of causing damage. The Architectural Committee will work on guidelines to be added to the Building and Plan Approval Form, but until that time, property owners requesting to remove trees will either be required to provide a tree survey with the reason for tree removal or letter form the entity requiring the tree removal. Tree removal will not be permitted without written permission.

- 2) A lot on Rose Pass has been clear cut. Emil moved the board allow funds to consult legal assistance concerning mitigation for clear cutting the land and any other issues that are outstanding. Chris Muster seconded the motion.
9 Approved, 0 Opposed, 1 Abstained (Melissa Bingham)
Emil is to contact Accountant and see if the lot has been sold to a new owner before consulting attorney. The board is looking for the property owner to take measures to prevent erosion and landslide caused by clearcutting the property.

- 3) After contacting owners several time at 2046 Orchard concerning failure to apply with request from the Architectural Committee to provide them with blue prints and plans for parking, Emil would like to consult an attorney about a cease and desist order.
Melissa so moved Emil be allowed to proceed to consult legal about filing a cease and desist order, Kenny Adams seconded the motion.
9 Approved, 0 Opposed, 1 Abstained (Mark Brandenburg)

Financial Committee

Annual Dues Increase

Mark Brandenburg

The CCR's allow up to 4% dues increase each year.

Emil Gueminey, seconded by Chris Muster, moved the dues be increased 4%. Discussion followed. Sky Harbor dues are already less than most associations and there is a lot of work for the budget we now have. Covid has caused some uncertainty in the economy and some hardships, and no one knows what the rest of this year will bring.

The vote was called 4 Approved, 4 Opposed, 2 Abstained. Motion did not pass as there was not a majority.

Billy Duncan moved that due to the current economic status, the dues only be increased 2% this year and this year only. Motion seconded by Kelly Frontroth.
6 Approved, 3 Opposed, 1 Abstained. Motion Passed

Annual Billing

The accountant will be advised of the following:

- Add 2% increase to the dues.
Improved Lots will be \$268.59
Unimproved Lots will be \$160.68
- Email bills should go out on 6/5/2020. Any paper bill for those that we do not have an email address for or those whose email address bounces back will be mailed mid-June. Invoices are due 8/1/2020.
- Any message concerning annual meeting will be provided to accountant prior to 6/1/2020 to be put on the bill.

Billy Duncan moved that we remove the processing fee that was implement for all invoices in 2019 and only charge a credit card fee for those paying by credit card. Motions was seconded by Emil Guimeny.

Discussion followed. The processing fee was implemented last year, after legal consultation and a board vote, which carried by majority, but not unanimously. The fee was implemented to offset not only credit card fees, but accounting fees associated with billing. Less than 5 lots did not pay the processing fee and these fees were not waived.

Vote was called: 2 Approved, 8 Opposed, 0 Abstained. Motion Failed.

Kenny Adams had to leave the meeting for family commitment.

Road/Safety Committee

Melissa Bingham

Signage ordered has been completed

Kelly Frontroth moved signs to be placed at both entrances to Sky Harbor stating "Owners/Contractors must complete Building and Plan Approval Form www.skyharborpoa.org" Motion seconded by Mark Brandenburg. 9 Approved, 0 Opposed, 0 Abstained. Motion Passed.

Correspondence was received from a member requesting Dead end or No Outlet signs be placed where roads had no outlet. Out of 17 dead ends not having signage, Melissa feels that 14 could use signs. This would prevent wear and tear on the roads. The other dead ends can be seen from the road or have sufficient turn around in the form of a cul-de-sac. Melissa moved she be granted \$750 for these dead-end signs. Howard seconded the motion. 9 Approved, 0 Opposed, 0 Abstained. Motion Passed.

4 Road Tiles have been installed. 3 on the main road and 1 on pioneer trail. One more tile needs to be added before the roads are paved in early fall.

Another member corresponded that the tile replacement has caused some dangerous ruts in the roads that can blow tires. When the tiles are installed, there is a period to let the ground settle to prevent damage once the road is repaved. Stone will continue to be placed in the tile replacement areas and repacked for paving in the fall.

Sky Harbor was very blessed with a very mild winter and the winter maintenance budget of \$10,000 did not have to be spent. Chairman Randy Lange discussed that this money could be reallocated to install addition tiles before paving in the fall. Billy Duncan moved that \$7500 be moved from winter maintenance and used to accelerate tile replacement and drainage improvements. Kelly Frontroth seconded the motion.

9 Approved, 0 Opposed, 0 Abstained. Motion Passed.

Policy Committee

Mark Brandenburg & Billy Duncan

Simply Voting is available when and if needed. Currently there are no bylaw changes or major issues to vote on at the annual meeting. Unless there are major issues, it is not recommended the board incur the extra expense of Simply Voting for board elections.

Community Improvement

Michele Madewell

Due to the “stay at home” shut down this spring because of Covid, Michele did not decorate. She will be decorating the front for Memorial Day to welcome the owners and guests.

Unfinished Business:

11th Board Member

There still have been no applications received for an 11th board member.

Lodge Foundation Work

Randy will contact Auntie Bellham’s and provide the approval for the foundation work to resume. It was halted due to Covid.

New Business:

Board Candidates

A majority of the board members have advised they have a desire to stay on the board if reelected by the membership. Two members advised they would like to think about it and will advised.

August Meeting

According to the bylaws, the annual meeting is to be held the first Saturday in August. However, Article II allows the board move any meeting to a time and place as the Board of Directors shall by resolution appoint.

Covid has placed many factor and complications in planning a Sky Harbor Property Owners meeting for August 1, 2020.

- 1) It will not be known if social distancing will still be recommended by the CDC. As the lodge only has 1500 sq ft in its main room, the board cannot provide currently recommended social distancing. Even though many people are not observing this recommendation, what is the liability to the board if we hold an annual meeting without meeting recommended guidelines?
- 2) Annual meeting information is sent out in June. CDC guidelines currently recommend social distancing through the summer. Unknown if that will change.

Chris Muster, seconded by Billy Duncan, moved we hold the annual meeting by Zoom. Discussion: In addition to taking out the unknown factor of where we will be with social distancing in August, this will allow a presence by those who may not be able to travel to Sky Harbor for the annual meeting due to timing or distance. 9 Approved, 0 Opposed, 0 Abstained.

- 3) Tax filing date has been extended to 7/31/2020 and our fiscal year ends 7/31/2020. Due to job obligations of board members who prepare financial reports and prepare the annual budget, it will be impossible for the accountant and the board to have accurate accounting information to present at the annual meeting if held on August 1. The board could meet on August 8th and the annual meeting can be held on August 15.

Mark Brandenburg, seconded by Emil Gueminey, moved by resolution the 4th Quarter Board Meeting be moved to August 8, 2020, and the annual membership meeting, to be held by zoom be moved to August 15, 2020 for 2020 only. 9 Approved, 0 Opposed, 0 Abstained.

Members will be notified of these changes on the annual invoice, by email, and via Sky Harbor website.

With no further business, Billy Duncan, seconded by Michelle Madewell, moved the meeting be adjourned.

9 Approved, 0 Opposed, 0 Abstained.

Meeting adjourned at 1:15 PM

The 4th Quarter Board Meeting will be held at 10:00 AM on August 8th via Zoom.

Operating Income	(12,115.90)	59,781.90
Other Income / (Expense)		
CABIN - Rental Income	14,100.00	15,685.72
CABIN - Cable	0.00	(1,269.00)
CABIN - Credit Card Fees Expense	0.00	(111.56)
CABIN - Gross Receipts Tax Expense	0.00	(118.73)
CABIN - Insurance (P&C)	(2,765.62)	(2,929.00)
CABIN - Management Fees Expense	0.00	(2,968.10)
CABIN - Monthly Fees	0.00	(195.00)
CABIN - Pest Control Expense	0.00	(374.28)
CABIN - Property Taxes	(1,037.00)	(950.00)
CABIN - Repairs & Maintenance Expense	0.00	(3,925.90)
CABIN - Supplies	0.00	(225.72)
CABIN - Utilities	364.30	(866.05)
CABIN- Hot Tub Fees Expense	0.00	(210.00)
Gain/(Loss) On Disposal of Assets	0.00	1,015.47
Total Other Income / (Expense)	10,661.68	2,557.85
Net Income	(1,454.22)	62,339.75

These Financial Statements have not been subjected to an audit or compilation engagement, and no assurance is provided on them.

Budget Variance

Sky Harbor Property Owners Association

1 Feb 2020 to 30 Apr 2020

Cash Basis

	Actual	YTD Actual	YTD Budget	Var USD
Revenue				
Dues Assessed - Current Year	\$4,880.79	\$130,931.95	\$133,200.00	-\$2,268.05
Dues Assessed - Next Year	\$486.90	\$526.90	\$85,000.00	-\$84,473.10
Dues Assessed - Prior Years	\$3,366.73	\$25,045.26	\$37,400.00	-\$12,354.74
Interest Income	\$743.54	\$2,468.52	\$1,100.00	\$1,368.52
Late Fees Income	\$720.00	\$2,835.34	\$0.00	\$2,835.34
Other Revenue	\$5,000.00	\$5,471.62	\$0.00	\$5,471.62
Processing Fees	\$118.42	\$4,004.06	\$6,600.00	-\$2,595.94
Total Revenue	\$15,316.38	\$171,283.65	\$263,300.00	-\$92,016.35
Gross Profit	\$15,316.38	\$171,283.65	\$263,300.00	-\$92,016.35
Operating Expenses				
Accounting	\$3,450.00	\$10,500.00	\$13,800.00	-\$3,300.00
Bank Service Charges	\$5.00	\$10.00	\$500.00	-\$490.00
CC/PayPal Charges	\$0.00	\$954.93	\$3,000.00	-\$2,045.07
Collection Contract - Pratt Aycock	\$104.24	\$2,853.64	\$9,900.00	-\$7,046.36
Collection Fees - recording / liens	\$0.00	\$594.01	\$2,000.00	-\$1,405.99
Insurance - D&O & G/Liab.	\$771.00	\$771.00	\$800.00	-\$29.00
Legal Expenses	\$0.00	\$1,228.00	\$1,000.00	\$228.00
Licenses & Permits	\$0.00	\$0.00	\$50.00	-\$50.00
Meeting Expense	\$0.00	\$1,140.15	\$2,000.00	-\$859.85
New Equipment	\$0.00	\$1,640.48	\$1,500.00	\$140.48
Office Expenses	\$0.00	\$0.00	\$300.00	-\$300.00
Postage, Box Rental & Delivery	\$0.00	\$871.00	\$2,100.00	-\$1,229.00
Repairs & Maintenance - Emergency Maint.	\$4,037.50	\$5,383.00	\$6,000.00	-\$617.00
Repairs & Maintenance - Maint Supplies	\$1,103.88	\$1,253.93	\$2,500.00	-\$1,246.07
Repairs & Maintenance - Other	\$1,840.00	\$3,851.50	\$10,000.00	-\$6,148.50
Repairs & Maintenance - Paving (general)	\$0.00	\$101,092.52	\$110,000.00	-\$8,907.48
Repairs & Maintenance - Rock / Gravel Road Maint.	\$0.00	\$0.00	\$4,500.00	-\$4,500.00
Repairs & Maintenance - Safety Maint	\$368.71	\$7,937.19	\$9,500.00	-\$1,562.81
Repairs & Maintenance - Winter Maint.	\$0.00	\$0.00	\$10,000.00	-\$10,000.00
Repairs & Maintenance - Yearly Maintenance	\$4,500.00	\$33,550.00	\$65,000.00	-\$31,450.00
Repairs & Maintenance-Tree Maint & Misc Roads	\$5,195.00	\$5,195.00	\$5,500.00	-\$305.00
Software & Software Fees	\$76.50	\$229.50	\$350.00	-\$120.50
Taxes - Federal & TN F&E	\$0.00	\$2,000.00	\$3,250.00	-\$1,250.00
Taxes - R. E. (3 Vacant Lots)	\$0.00	\$0.00	\$300.00	-\$300.00
Utilities - Guard Shack & Street Lights	\$1,007.45	\$2,800.81	\$4,000.00	-\$1,199.19
Website	\$0.00	\$315.00	\$1,500.00	-\$1,185.00
Write - Offs	\$0.00	-\$1.11	\$0.00	-\$1.11
Total Operating Expenses	\$22,439.28	\$184,170.55	\$269,350.00	-\$85,179.45
Operating Income / (Loss)	-\$7,142.90	-\$12,886.90	-\$6,050.00	-\$5,294.90
Other Income and Expense				
CABIN - Rental Income	\$5,100.00	\$14,100.00	\$16,500.00	-\$2,400.00
CABIN - Insurance (P&C)	-\$1,014.62	-\$2,765.62	-\$3,200.00	\$434.38
CABIN - Pest Control Expense	\$0.00	\$0.00	-\$250.00	\$250.00
CABIN - Property Taxes	-\$1,037.00	-\$1,037.00	-\$1,000.00	-\$37.00
CABIN - Repairs & Maintenance Expense	\$0.00	\$0.00	-\$6,000.00	\$6,000.00
CABIN - Utilities	\$364.30	\$364.30	\$0.00	\$364.30
Total Other Income and Expense	\$3,412.68	\$10,661.68	\$6,050.00	\$4,611.68
Net Income	-\$3,730.22	-\$2,225.22	\$0.00	-\$683.22

These Financial Statements have not been subjected to an audit or compilation engagement, and no assurance is provided on them.

Statement of Cash Flows

Sky Harbor Property Owners Association

For the 9 months ended April 30, 2020

Account	Aug '19-Apr '20
Operating Activities	
Receipts from customers	171,283.65
Payments to suppliers and employees	(183,399.55)
Cash receipts from other operating activities	10,661.68
Net Cash Flows from Operating Activities	(1,454.22)
Investing Activities	
Other cash items from investing activities	(149,746.64)
Net Cash Flows from Investing Activities	(149,746.64)
Financing Activities	
Other cash items from financing activities	149,288.87
Net Cash Flows from Financing Activities	149,288.87
Net Cash Flows	(1,911.99)
Cash and Cash Equivalents	
Cash and cash equivalents at beginning of period	230,345.24
Cash and cash equivalents at end of period	228,433.25
Net change in cash for period	(1,911.99)

Sky Harbor POA Annual Meeting - August 15, 2020 VIRTUAL

During the 3rd Quarter Board Meeting held May 9, 2020, the Sky Harbor POA board of directors was faced with making a decision concerning the Annual Meeting to be held in August.

At the time of the May Meeting, the following information was considered:

- 1) COVID cases had not seen a decline in cases for 2 weeks in any state.
- 2) Social Distancing was being recommended by the CDC and the current guideline recommended social distancing throughout the summer.
- 3) There was no feasible way to social distance in the 1500 sq ft main room of the lodge.
- 4) Finding an alternate venue that could provide social distancing for an unknown number of attendees was impossible at that time as TN was not opened up. It could also prove time consuming and costly.
- 5) No vaccine available
- 6) There is also the factor for some members of timing and distance
- 7) COVID extended income tax filing date to 7/31/2020, which is also the date our fiscal year ends. On a normal year the annual meeting would be held August 1st. Additional time is needed to prepare the year end/meeting financial documents.

Article II of the bylaws allow the board to move any meeting to a time and place as the Board of Directors shall by resolution appoint.

Due to the challenges presented by COVID, the board passed a resolution to hold the 2020 Sky Harbor POA Annual Meeting virtually on Saturday, August 15, 2020 at 12:00 PM EST.

The board hopes that members that usually cannot attend due to time and/or distance will take this opportunity to attend virtually.

As a result of COVID, the board made a conscious decision to only increase the dues 2% this year instead of the allotted 4%. This consideration was for this year only.

The only voting item currently on the agenda is the election of the board.

If you are interested in offering yourself as a candidate for the board of directors, please return the Board Candidate form, which can be found on www.skyharborpoa.org, prior to July 20, 2020, in order that your name may be included on the ballot.

Information and Documents for the Annual Meeting will be posted to the Sky Harbor POA website this week.

Annual bills were sent out during the month of June. If you have not received your bill please send an email to dues@skyharborpoa.org.

Please feel free to contact the board any time by emailing info@skyharborpoa.org.

Sky Harbor POA
Board of Directors