

Sugar Creek I/IV Special Assessment Homeowners Meeting Minutes - 2024

Location	Sugar Creek Clubhouse	
Date	December 4, 2024	
Time	7:31PM	
1.	CALL TO ORDER	Meeting called to order by HOA President Keys Whitmire at 7:31 PM.
	Membership Present	Approximately <u> 154 </u> members at clubhouse; <u> 22 </u> proxies assigned to Presiding Officer. Plus <u> 44 </u> additional proxy votes.
	Board Members Present	Board members present at meeting: Keys Whitmire (P), Michael Martin (VP), DeAnn Hammond (S), Erin Milner (T), Tom Redouty (Pool), Steven Ovsak (Architecture), Josh Rivera (Clubhouse), Sarah Beth Wood (Security), Matt Cupelli (Grounds). Absent: Heather Scott (Tennis)
2.	REVIEW OF BYLAW CHANGES / SCRC Rules and Regulations Update as outlined in the special assessment letter sent to homeowners.	Erin (T) explained the proposed bylaw changes. Some homeowners in attendance expressed they would like to have had the opportunity to vote on bylaw changes individually. Michael (VP) explained to homeowners that By-Laws allow us to amend the proposed changes and vote on them within the meeting. Further questions regarding the language of the Reserve were presented and addressed by Erin (T). There was a call for a motion to strike items 5 and 6 in the proposed by-law changes. That was approved by the majority of homeowners. A motion to approve proposed changes to bylaws (items 1-4) and SCRC Rules and Regulation Update of Section 2 was passed by the majority of homeowners.
3.	PRESENTATION OF FINDINGS SINCE ANNUAL MEETING	Michael (VP) provided a presentation of findings and information the board has gathered from the Annual Meeting until now. Presentation below: (A) Leak Study/Reserve Study Findings: Aging pool with significant issues (leaks, cracks in walls, leaks causing cracks in pool deck, water runoff and erosion on hill and possible earth stabilization issues for tennis courts and renovated pool (won't know complete picture until demo starts and we take additional core samples). Pool is approx. 290,000 gallons. Leaking at 3 gal/hr from existing plumbing. We are refilling 10% of the pool every year. (2200 gal/month just to keep the pool level) Tennis courts and other capital project needs will not be addressed until pool situation is corrected based on recommendations of the reserve study and due to the current state of disrepair.

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(B) ADA Bathrooms: Sugar Creek has not had to modify our facilities to date since we have been ‘grandfathered’ in under older version of building code that structures were originally constructed to and have not had any major renovations/ rebuilds requiring new permits to be pulled with county that would have invoked these requirements.

This does not relieve the HOA of potential for lawsuits to be brought against us for failing to provide ADA compliant facilities.

ADA Bathrooms are not required by USTA (tennis) or SC DHEC (pool), but by International Building Code (IBC).

- Both DHEC Regulation 61-51 and the USTA Handbook recommend compliance to ADA (‘should’ not ‘shall’)
- County building official has final authority to require HOA to comply. This is a SHALL requirement for public facilities.

Private clubs are not required to provide for ADA compliance; however, we are not considered private due to affiliate memberships and outside clubhouse rentals.

- If we eliminate outside memberships and clubhouse rentals, this ‘might’ buy more time for bringing facilities up to ADA compliance – but does not make us immune to legal challenges. We would have to offset income loss by increased dues, just to maintain current financial position (average of ~\$40k/yr for affiliates and \$14k/yr for clubhouse rentals. \$127/yr dues increase just to offset this income loss)

Updates for ADA compliance with the pool restrooms is being considered for several reasons:

- It reduces our legal exposure from a lawsuit being brought against the association for failing to provide as a ‘public’ facility.

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- Even with a renovation/replacement of the pool as ‘kind for kind’, there is potential that county building official will demand that bathrooms be updated for ADA compliance.
- It is the right thing to do for our community. The current pool renovation scope addresses the addition of a lift chair and accessibility to pool only. ADA bathroom cost is not included.
 - Restrooms can come later, but we don’t want to continue to ‘kick the can down the road’ – that led us to our current financial predicament.
 - Can possibly claim financial hardship to allow for deferred or partial implementation for near term funding challenges.

(C) Scope of Work Covered by Assessment:

What is included:

- Complete demo and removal of existing pool structure and pool deck – down to dirt.
- New pool structure (concrete / rebar) and all new plumbing
- New pool deck (board is investigating pavers vs concrete for short term capital costs vs long term maintenance benefits – note both options are within the funding profile of the assessment)
- New pump room equipment to replace damaged existing equipment and bring up to compliance with current DHEC regulations for our type and size of pool

What’s NOT included:

- We are NOT adding more lanes or making any significant changes to pool structure, which adds

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		<p style="text-align: center;">unnecessary cost that does not benefit the entire community</p> <p>(D) Cost Basis of Assessment: Why does assessment capture more cost than the proposal costs from bidders for the pool scope?</p> <ul style="list-style-type: none"> • Assessment is based on the reserve study (licensed engineering evaluation) of anticipated total costs of the project. • Provides for contingency funds for project unknowns (we are digging up a 50yr old structure) • Possible additional costs • Earth stabilization needed • Unknown underground conditions / existing utilities • Replacement of fence and other surrounding items that may not be salvageable <p>The anticipated cost to homeowners went from \$1,000 dues for FY2024 to a \$4,000 one-time assessment based on the studies performed and due diligence of the board after feedback from last year’s annual meeting. Results of this deeper analysis identified that the maintenance issues were more significant than previously thought.</p> <p>Any unused funds would go to a reserve fund and help offset future dues increases to address other future projects needed.</p> <p>(E) Assessment Payment Options:</p> <p>Two proposed options:</p> <ul style="list-style-type: none"> • (2x) payments of \$1,957 due March 10, 2025 and November 10, 2025 for a total of \$3,914. • (11x) payments of \$356 due monthly beginning January 10, 2025 thru November 10, 2025. For a total of \$3,916 (the minor additional expense from rounding will not cover the additional administrative costs and burden this
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will place on the association)

- Total funding:
 - \$3,914 x 423 homes - \$1,655,622
- Distribution of funds:
 - Pool Renovation Project: \$1,602,553
 - Replenish Capital Reserve (Insurance cost): \$30,000
 - Replenish Capital Reserve (Hurricane cost): \$18,000
 - Replenish Capital Reserve (Cost of Special Assessment): \$5,069

(F) What happens if the Assessment does not pass?

- Pool will operate as long as we can and have adequate funding to make any repairs as they come up
 - Continued high maintenance / repair costs to “limp along” every year
 - Expect to replace pump every season due to high cavitation / damage
 - Wear/tear on electrical system and other equipment due to this
- Major failure may occur and HOA does not have funds to address and will result in indefinite pool closure
 - If the pool has to close indefinitely due to major failure, the HOA would be failing in its obligation to provide the existing amenities to its members, as outlined in our governing covenants. The HOA would be considered insolvent and this would have to be disclosed by realtors when selling homes in the neighborhood, which would result in decreased home values.

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		<ul style="list-style-type: none"> • This would also complicate our insurability, and we may even get dropped by our carrier. • Will have to address expected budget shortfalls at annual meeting and address increased dues and a different funding structure for the assessment to address the pool. • At \$1000/yr, it will take the community another decade to raise enough funds to the pool – without accounting for increased cost of the project at that time. • Cost for renovation will continue to increase until the project is funded and completed – construction costs are ever-increasing. <p>It took decades for Sugar Creek to become one of the most desirable neighborhoods in the Greenville area, but that can be undone overnight with the reputational damage from something like this.</p> <p>-----</p> <p>After the presentation, the floor was opened for questions by homeowners. Many of the topics were loans by the HOA to cover costs, extending payments, and delaying the project. All questions were addressed by Michael (VP), Keys (P), and Erin (T). None of the topics were brought to motion.</p>
4.	VOTE ON ASSESSMENT as outlined in the assessment letter sent to homeowners.	A motion was made to vote on the special assessment and approved by majority.
5.	ADJOURNMENT	Meeting adjourned at ____ 9:28 pm ____