

## **SWRA Annual Board Report March 11, 2023**

**Call to Order-** President Sally Gantt called the meeting to order at 10:00 A.M. at the Church of the Living Waters. I would like to welcome everyone to the 2023 SWRA Annual Meeting. My name is Sally Gantt and I have served as President of the Board for the past year. The purpose of this meeting is to give you a recap of the last year and look at projections for this year. This is an information meeting for the Board to report to membership, we don't actually vote on anything today. We are here to update our community on what the association is doing. We have a lot to report today so please hold your questions until the end of the presentations.

**SWRA Board Members:** Sally recognized and introduced the current board members. She thanked them for their volunteer service to the community. President Sally Gantt, Vice President Kay Dickey, Treasurer Gene Akers, Secretary Penny Alexander, Members-at-Large Tom Dyne, Lee Eastman and Tom Nicholson.

Approximately 115 people attended, including SWRA staff and SWRA Board members. This does not represent a quorum as defined by the Bylaws, therefore the meeting continued as one for the Board to report to the general membership. An attendance list, committee and email sign-up sheets, February newsletter, phone directories and handouts of the 2023 budget were available.

The Board was notified late December that former General Manager Kevin Eason would be retiring January 31<sup>st</sup>. We advertised for this position and interviewed and are very happy to introduce you to our newest employees. Mike Griffin was hired as Community Association Manager and Mike Dean was hired as Associate Community Association Manager. The Board has redefined the duties of these two positions and feel that they will work well together as StillWaters continues to grow. They are both very qualified individuals and have both hit the ground running and it is going really well. At this time, I would like to introduce to you Mike Griffin who will tell you a little bit about himself and introduce the SWRA team.

**Mike Griffin** – Welcomed all and gave a little background information on himself. He recognized our new Associate Community Association Manager Mike Dean who is on board with us, stated that this is a very large community, and that he and Mike are working well together. The two of us balance each other out with our experience and backgrounds. This Board has done a phenomenal job in filling in while not having a manager and keeping SWRA running smoothly. They have really done a great job and put in a great deal of time. Mike introduced Mike Dean and the rest of the team.

### **SWRA Staff:**

- Community Association Manager: Mike Griffin
- Associate Community Association Manager: Mike Dean
- Community Administrator: Robin Ulrich
- Sub-Association (Condos) Bookkeeper: Shana Ellis
- Part Time Office Staff - Susan Thames, Anita Gardner

- Maintenance: Alan Price, Drew Heederik, Mike Mattiace, Huey Mettes, Evelyn Mann
- Landscape/grass cutting: Jeremy Vickers, Noah MacKenzie, Justin Lyle
- Gate Attendants: Clyde Ware, Brandy Price, Crayton Vickers, Levis Gamble, Tommy Thornburg, Jerome Russell

Mike stated that it is a great staff, and I am enjoying getting to know them and work with them. Thank you for supporting this Board and this staff and we look forward to working hard to continue keeping StillWaters the great community that it is and plan to continue growing and improving.

**Honored Guests:** Sally Gantt stated that we are also honored to have several guests today who are important to our community. We appreciate them taking their Saturday morning to be with us.

- **The Honorable Ed Oliver - State Representative Alabama House District 81.**  
He shared the scope of his district. SW is my largest voting block, very important to me that I know what your opinions and concerns are. There is much going on in our district. Always available and will call you back. I grew up here, career military officer, try to get things done, let me hear from you.
- **The Honorable George Carleton, Commissioner, District 5 - Tallapoosa County, AL**  
George is starting his 3<sup>rd</sup> term, and stated that he tries to help SW, and this is also his largest voting district. Call me and let me know if I can help. Working with Ed Oliver to get road work done in our area. There are plans to have the dumpsters in this area in March or April.
- **The Honorable Jimmy Abbett - Sheriff Tallapoosa County, Alabama.**  
There are 65 miles of this county that we cover. Our 911 center handles 13 volunteer fire dept and ambulances. This is my 8<sup>th</sup> term serving as your sheriff with 54th year in law enforcement. Striving to keep our employees in a competitive market. We have 70 employees on a \$4.8 million budget. Chief Deputy Fred White will also be working with the SWRA Board and staff. It is a pleasure to be here, give us a call if you need us.

**Thank You Volunteers -** Sally thanked the volunteers who serve on committees throughout the year donating their time. This includes property owners who volunteer as Board members, members of the Architectural Review Committee, Christmas Committee, Landscape Committee, Recreational and Special Committees. These Members all contribute to the enjoyment and betterment of StillWaters. Some meet multiple times a year and others are specific to a season or project.

If you are interested in helping, please sign up at the table in the back. It is a great way to meet your neighbors and to get involved in knowing what is going on in our community. You can use your talents to contribute.

## **What We Did In 2022**

- Improved security camera systems
- Paving and drainage work
- Improved holiday decorations – Christmas Elves Thank Gene and Drew for our new snow family.
- Maintained all common area
- Resurfaced tennis courts to include pickleball space
- Completed pole barn (Storage for equipment)
- Hired additional landscape person
- Purchased two new mowers & sold two old ones
- Purchased used truck to replace two older ones
- Updated signage around StillWaters
- General Manager held several “townhall” meetings
- Formed Focus Groups and met to discuss revisions in current SWRA Bylaws
- Newcomers Club held regular gatherings
- Continued work on Business Continuity Plan

**Bylaws Update** - In 2022, the Board began work as the need to update our Bylaws has been recognized for several years. Gene Akers and Kay Dickey spent many hours working on this, and the Board meet with several focus groups of property owners to gather input and feedback on this. Sally asked Gene to share a little bit more about this.

Gene explained that the Bylaws were written many years ago and have a lot of outdated language in it about classes of membership when the Developer was still in control. They can be very confusing and should be much easier to understand. The Bylaws do NOT address fees, the covenants are where fees and assessments are addressed. So “Read my lips, NO NEW TAXES!” The Board understands that we will have to do a good job of educating our Members and let them know what changes are recommended and why we are recommending them. It will be necessary to communicate in as many ways as possible with our SWRA Members. To change the Bylaws, it requires 60% of the people voting, in person or by proxy at a special meeting.

**Neighborhood Patrol** – Sally reported that we are making plans to implement the new part time Neighborhood Patrol at SW. Many of you felt that it would be good for our community and contributed to this when you paid your annual fees. Please keep a watch in our newsletter for the details.

**Newcomers Club** – Kay Dickey explained that this is not only for newcomers to our community but is extended to everyone who is a resident/property owner. We hope to get new people involved. We have multiple types of groups that have come from this. May be moving to quarterly potluck dinners. If you would be liked to be involved, contact me and I will be very happy to assist you.

**Covenant Violations:**

Anytime anything is changed on the exterior of the house, an ARC permit is required, it may be a no cost permit, a small project or larger building permits for docks, garages, homes.

1. Trailer parking
2. Failure to obtain ARC permit
3. Unkept property/trash cans – Explained the trash can service that SWRA offers as a service to roll trashcans in and back.

**ARC Permits:**

Tom Dyne and Lee Eastman are our 2 board members that serve on the ARC along with several other volunteers for a total of 5 members. This is a very important job, and we want to thank them for their dedication in making sure all building is going as it should be. Direct questions to Lee Eastman or Mike Dean. Tom Dyne is moving off the ARC so there is one position open on the ARC. If you are interested, please let the Board know as we will be appointing a new person to serve.

Sally shared a comparison of several years of permits:

- 209 in 2019
- 267 in 2020
- 309 in 2021
- 233 in 2022

<b>The Covenants</b>	<b>Number of Properties 2021</b>	<b>Number of Properties 2022</b>
1987 Covenants (SWRA)	1601	1625 (+ 24)
1974 Amendments	295	286 (- 9 )
1971 Covenants	40	40
Water’s Edge	<u>9</u>	<u>9</u>
Total Properties	1945	1960
Total ‘71/’74/Waters Edge Converted:	8	9
New Homes/Units Built	44	15

It would be great to have all properties convert to be governed by the 1987 Covenants so that all properties would be governed by the same rules and guidelines. StillWaters continues to grow, and it complicates the day-do-day and overall issues that the Board and staff have to manage. The SWRA Board encourages those under the 1971, 1974 and Waters Edge covenants to consider subjecting their property to the 1987 Amended and Restated Covenants. SWRA will not only pay for the court recording costs for any property owner who converts to 1987 but we will also take it to the courthouse for you!

### **Planned Improvements for 2023:**

- Continue to Update signage
- Lighting and landscape at Gate 34
- Paving
- Address drainage issues
- Revise Bylaws
- Training for new SWRA Managers
- Continue scanning important documents (contracts, historical data, legal papers) into digital storage
- Updating IT infrastructure and office equipment
- Landscape projects
- Proceed to clear lawsuits
- SWRA security patrol
- New SWRA webpage

**Website** - Another area we are excited about is our new website. Lee Eastman has been working very closely with the company in Auburn that we contracted with to do this, and we are almost ready to launch it. We hope that it will be more informative and a great source of readily available information for our property owners.

**TREASURER’S REPORT: Sally introduced** Board Treasurer Gene Akers and stated that he puts a great deal of time and effort into his duties as Treasurer but also in many other planning and organizational projects. Gene reported the following:

### **SWRA 2022 Financial Highlights**

- Overall financial situation was good
- Positive impact from construction
- Continued reliance on discretionary fees
- Net Income for 2022 was \$169,988.42 with \$92,000 provided by remaining road budget
- Allocated \$85,000 to Reserves

### **Review of the Financial Performance in 2022:**

Bottom line is that we were under budget for the year! Most of our revenue, **approximately 60%**, comes from annual maintenance fees and assessments. The amount on the annual maintenance fee and assessments are limited by our covenants. The rest of SWRA revenue comes from fees such as gate easy entry fees, building permits, transfer fees, boat storage, condo management, trash can service, etc.

Based on prior input from owners, the priority spending is focused on roads, gates, and landscaping. These three expenditures account for 40% of the maintenance fees and assessments.

That being said, the impact of construction and sales within SWRA last year was significant with regard to our budget.

Construction affects:

- Building permits exceeded our projected budget by almost \$10,000.
- Transfer fees exceeded our projected budget by \$34,000.

#### SWRA - ACTUAL VS BUDGET 2022

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>Difference</b>
<b>Revenue</b>	<b>\$ 1,479,066.08</b>	<b>\$ 1,463,548.00</b>	<b>\$ 15,518.08</b>
<b>Expenses:</b>			
Administrative	\$ 445,866.19	\$ 458,421.56	\$ (12,555.37)
Gates	\$ 231,624.81	\$ 179,328.08	\$ 52,296.73
Landscaping	\$ 151,416.34	\$ 222,565.20	\$ (71,148.86)
Roads	\$ 99,585.27	\$ 192,500.00	\$ (92,914.73)
SWRA Centre	\$ 26,763.55	\$ 36,189.51	\$ (9,425.96)
Welcome Centre	\$ 17,504.88	\$ 11,433.71	\$ 6,071.17
All Other	\$ 321,234.13	\$ 228,452.38	\$ 92,781.75
<b>Total Expenses</b>	<b>\$ 1,293,995.17</b>	<b>\$ 1,328,890.44</b>	<b>\$ (34,895.27)</b>
<b>Net Other Income/Expenses</b>	<b>\$ (15,082.49)</b>	<b>\$ (24,000.00)</b>	<b>\$ 8,917.51</b>
<b>Net Income</b>	<b>\$ 169,988.42</b>	<b>\$ 110,657.56</b>	<b>\$ 59,330.86</b>

The Net Income for 2022 was about \$170,000 but consisted of over \$92,000 from the Roads budget that was unexpended because of weather conditions. Last year SWRA used operating funds rather than reserve funds to resurface the Tennis/Pickle ball courts (\$26,000) and purchase new landscape equipment. If we had expended all the Roads funds, used reserve funds for capital expenditures, and had not reduced our landscaping costs by near \$72,000, then SWRA would have pretty much broke even in 2022.

The SWRA Board elected to move most of the Net Income into Reserve Funds at the end of 2022 after paying off a small landscape equipment loan.

## SWRA Operating Budget 2023 – Revenue

<b>SWRA REVENUE</b>	
<b>DESCRIPTION</b>	<b>Projected 2023</b>
Total Property Owner Fees	\$ 861,691.00
Assessment	\$ 171,700.00
Facilities Rental	\$ 15,000.00
Boat Storage	\$ 20,400.00
Gate Devices	\$ 25,200.00
Gate Easy Entry Fee	\$ 165,000.00
Security Patrol	\$ 55,000.00
Garbage Roll Out Service	\$ 22,500.00
Lien Fees	\$ 15,000.00
Interest Income	\$ 6,300.00
Building Permits	\$ 19,200.00
Transfer Fees	\$ 60,000.00
Condo Management Fees	\$ 162,300.00
Other Fees	\$ 16,400.00
<b>Total</b>	<b>\$ 1,615,691.00</b>

### Review of the budget for 2023:

Our goal every year is to budget our operating expenses within the limits of our anticipated revenue and to leave enough cash to provide adequate reserves to cover future capital and extraordinary maintenance requirements. SWRA bills and collects most of our revenue in January and February due to structure of our annual maintenance billing. Assessments are normally fixed. Fees were increased for 2023 by \$38 to reflect an 8.7% increase due to the Cost-of-Living Increase (COLA) as per the SWRA Covenants.

The growth in construction and real estate activity continues to have a positive effect on SWRA finances. While we are optimistic 2023 will be a good year financially for SWRA and its property owners, we have seen a reduction in easy entry gate fees and do not expect the same continued growth in construction and sales as in past years.

### Neighborhood Patrol

Some of the continuing issues faced each year by SWRA is the abuse of the common area amenities and roadways. In an effort to address these issues, the Board elected to utilize a part-time security resource for 2023. Since the Board is limited in its ability to increase HOA fees by the covenants, it elected to seek voluntary donations from the members to fund a security resource. Thanks to the generosity of the owners, SWRA was able to obtain funding to for a part-time security resource in 2023. The Neighborhood Patrol will focus on

the common area amenities and roadways. The Board is hopeful that this will reduce the amount of vandalism and damages to the common area amenities and speeding on our roadways. The Board will be working in the coming weeks to secure the security resources and establish policies and procedures for this resource. SWRA will provide updates through the newsletter as it progresses. Thanks again to those have voluntarily supported this effort.

### SWRA Operating Budget 2023 – Revenue

<b>SWRA EXPENSES</b>	
<b>DESCRIPTION</b>	<b>Projected for 2023</b>
Administration	\$ 624,709.50
Gates	\$ 239,783.80
Landscape & Grounds	\$ 173,122.42
Roads	\$ 232,500.00
Pineview Pool	\$ 21,837.00
Tennis Courts	\$ 3,156.00
Moonbrook Park	\$ 15,825.00
Boat Storage	\$ 2,288.00
Storage Facility	\$ 8,880.00
Common Areas	\$ 10,990.00
SWRA Centre	\$ 33,166.59
Welcome Centre	\$ 16,156.19
Professional and Legal Fees	\$ 24,000.00
Condo Management Expenses	\$ 82,704.09
Reserves	\$ -
<b>Total</b>	<b>\$ 1,489,118.59</b>

Overall, we expect a slight increase for 2023 expenses.

Much of our expense budget is fixed due to contracts and items such as insurance, salaries, interest on debt and property taxes. Certain items, such as utilities, are almost fixed although they are manageable to some extent.

The SWRA Board has continued to budget a large portion of the overall budget to roads for 2023. Our gate costs continue to increase mainly from damages and repairs caused by owners and visitors running through or into the gates. The one bright spot is our significant savings in landscaping because of transferring this capability in-house.

## RESERVES

Reserves are a reallocation of our unrestricted cash. Reserves are determined from informal studies, anticipated costs and have budgeted reserves accordingly. The Board works very hard to plan for the future. If there is a cash balance at the end of the year, the Board reserves the decision to allocate reserves at that time. As a result of the savings and additional income that I mentioned earlier, the Board was able to allocate over \$85,000 to the Reserve funds in 2022.

### SWRA Reserve Balances as of December 2022

Reserve Balances	
ACCOUNT DESCRIPTION	12/31/22 Balances
Fountain Reserve	\$ 100,000.00
Welcome Centre Reserve	\$ 20,000.00
Storage Facility Reserve	\$ 10,000.00
SWRA Centre Reserve	\$ 100,000.00
Pineview Pool Reserve	\$ 52,000.00
Truck Reserve	\$ 15,000.00
Gate Equipment Reserve	\$ 75,000.00
Tennis Reserve	\$ 10,000.00
Moonbrook Park Reserve	\$ 25,000.00
Contingency Fund	\$ 100,000.00
<b>Total</b>	<b>\$ 507,000.00</b>

### Balance Sheet as of December 31, 2022

The Cash Balance was \$807,550.74 of which \$507,000 is allocated for Reserve balances as previously mentioned. A portion of the Cash Balance minus the reserve funds includes reimbursable Building Permit deposits totally nearly \$170,000.00 which leaves roughly \$130,000 in operating capital which really amounts to about one-month operating expenses in unrestricted funds.

SWRA currently has nearly \$700,000 in Accounts Receivable from unpaid dues and fees accumulated from previous years that we carry over.

Our Fixed Assets primarily include land and buildings.

## 2023 SWRA Operating Budget

Balance Sheet			
<b>Assets</b>			
	Cash, Including Reserves		
	Balance 12/31/2022		\$ 807,550.74
	Accounts Receivables		\$ 703,620.49
	Other Current Assets		\$ 7,465.20
	Fixed Assets		\$ 1,143,321.02
	Total Other Assets		\$ 156,943.88
	<b>Total Assets</b>		<b>\$ 2,818,901.33</b>
<b>Liabilities</b>			
	Total Current Liabilities		\$ 216,360.78
	Total Long Term Liabilities		\$ 81,799.78
	Total Equity		\$ 2,520,740.77
	<b>Total Liabilities and Equity</b>		<b>\$ 2,818,901.33</b>

Our goal is to maintain our infrastructure/assets and to remain under budget.

### Board Election Committees:

**Nominating Committee** – Property owners Lee Eastman, Rhonda Jones, Tom Nicholson, John Prophitt and Cherie Stephenson served on this year’s committee to interview and nominate candidates for the three open board positions. They contacted all who had expressed an interest in serving and they solicited several candidates and interviewed a few.

**Election Committee – Joel Raines reported for the committee.** Other Members serving were Rhonda Jones, Rita McCollister, Debbie Nigh, and Kenny Walz to count the ballots and verify the votes. Sally Gantt served as Acting Secretary.

There were three candidates on the ballot this year recommended by the Nominating Committee and one who ran by petition. The ballots were counted, recounted and cross checked to assure all eligible ballots of property owners in good standing were counted.

Joel Raines gave the report for the Election Committee. He stated that basically we had 407 ballots and those elected to serve this year are Gene Akers, Penny Alexander, and Debra Knight.

### 2023 Board Members

Gene Akers, Penny Alexander, Kay Dickey, Lee Eastman, Sally Gant, Debra Knight, and Tom Nicholson will serve. The Board will meet following this meeting to elect Board officers for the coming year.

### **Closing Announcements:**

Get involved with SW by volunteering. Sign-up sheets in the back or you can contact the office!  
Architectural Review, Landscape, Nominating, Elections, Christmas, Newcomers, Recreation

### **How to Stay informed by:**

- **Provide** office your email address
- **Keep** account contact information up to date at office
- **Read** monthly newsletter
- **Open** *SWRA eflash* messages

### **Property Owner Comments:**

Sally opened the floor to those attending. There were a few questions:

- **Lauren Bright** – 1974 maybe 1971. On the Eflash. How would I know if I am on the lists. Check with SWRA office.
- **Charlie Griffin** - Are the office hours the same as before? Yes, office staff are often there on Wed. afternoons to catch up on projects but closed noon on Wed. to public.
- **Debbie Gibson** 1987 - A question about the expenditures on sub-association vs. income. Gene explained that staff expenses are split to allocate time between SWRA and sub-associations.
- **Miriam Stone** 1987 - Question about cracks in the recently resurfaced tennis/pickleball courts. Disappointing that they appear so quickly however it would be over \$100,000 to replace foundation of the courts to remove all cracks.
- **Dave Hamilton** 1987 – Question new 121 Disposal in last newsletter. Both GFL and 121 offer service to SW residents, it is property owner’s choice.
- **Renee Gordon** – Asked to see Election ballots. Vote is confidential, only Election Comm can see, per the Bylaws. Board members do not see these either.
- **Connie Campbell** - Harbor Pointe – Why increase in cost of remote gate entrance? Costs to maintain, repair and monitoring increases. The easy entry fee is a small way to offset some of these costs of the gates.
- **Ms. Campbell** also asked if a Dog Park had ever been considered. Yes, several times in the past, a survey of residents showed other things such as roads and gates and landscape as priorities. She asked about legal issues with it. Always liability with anything we do but it could be handled/covered. It was a low priority and many who were interested also responded that they would not donate additional funds or their time to support it.
- **Chuck Lehman** -1987 – Thanked the Board members for all the time, effort and talent that they share with us, keeping our community running and improving it as volunteers.

There being no further comments, Sally thanked everyone for attending and told them that he Board members, Community Association Managers would be available after the meeting.

The meeting Adjourned at 11:10 a.m.

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Penny Alexander, Secretary

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Sally Gantt, President

Date approved: March 21, 2023