

Saddle Creek Homeowners Association

Annual Meeting, March 2, 2014

Meeting Called to Order: At 3:18 pm by President, Lance Ledbetter

Introduction of Board of Directors and Committee Leads

Directors for 2013

President, Lance Ledbetter; Vice President, Dave Wallace; Secretary, Bob Jackels; Treasurer, Sanjay Mundkur; Members-at-Large: Bill L'Estrange, Nicole Schwartz, OPEN. Chuck Dilcher (through June 30).

Committee Leads for 2013

Pool, Nicole Schwartz; Tennis, Paula Hope; Membership, Vrinda Mundkur; Social – Stephanie Kearce; Landscape, Viki Breeland/Bob Jackels/John Morris; Fix-It, Paul Mattson; Civic, Lance Ledbetter.

Committee Leads for 2014

Pool, Nicole Schwartz; Tennis, Paula Hope; Membership, Pam Ellis; Social, Vrinda Mundkur; Landscape, John Morris; Fix-It, Paul Mattson; Civic, OPEN.

Introduction – Lance Ledbetter

Recap of current situation: need to repair Saddle Creek HOA properties over time just as we would repair and improve our properties as homeowners.

Three things to vote on today: transfer fee paid by buyer will generate money for long term projects; increase in dues; members' one-time assessment for improvement to SCHOA properties.

Guidelines for the Meeting

Guidelines for Our Meeting

- ☐ We want you to be part of the process.
- ☐ Hold your questions for the Q&A session (35 minutes)
- ☐ Q&A session
 - ✓ One question/comment per lot. Keep to the topic.
 - ✓ Up to 1 minute to ask question. 3 minutes to answer.
 - ✓ Follow up questions may be not possible with high participation level
 - ✓ Parking lot for questions not on topic, or on finer details. Time allowing – we will handle at the end or after meeting.

GUIDELINES FOR OUR MEETING

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Recap of 2013

A good year financially with \$26,000 transferred to the reserve fund. The reserve fund is our savings account for large maintenance projects. The balance in this account is \$38,780. We saw very good support from volunteers. Social activities were well attended. Eastside Tennis Courts Resurfacing – received \$12,700 in donations for resurfacing and new benches. Romeos group donated the new shrubs and Crepe Myrtle for the Westside property.

Donations from Non-Members were below average in 2013. A goal for this year is to involve non-members in project for this year for improving the five entrances.

History of Saddle Creek

Saddle Creek – Our Homeowners Association

- ☐ 1974-1984: Chatham maintains both swim/tennis facilities and entrances
- ☐ 1984: Saddle Creek Homeowners Association Inc. (SCHOA)
- ☐ 1985: Chatham conveys facilities and entrances to SCHOA
- ☐ 1986: Westside pool filled in for insufficient funds
- ☐ 2003: HOA and Swim/Tennis Club Merged
- ☐ Current Facts
 - ✓ 250 of 500+ homes are members of the SCHOA
 - ✓ Lowest dues for swim/tennis community since 1985

SADDLE CREEK – OUR HOMEOWNERS ASSOCIATION

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With 500 homes we have considerable impact on the city of Roswell. In the last election, if all voters in Saddle Creek had gone to the poles, we could have determined the winners in the City Council races.

Starting in late 2014, we will see construction of roundabout at Houze & Hembree roads. And, thanks to the Board's insistence, a crosswalk at SC Drive and Houze Road connecting the two sides of our community will enable members from the westside to walk to the pool and eastside tennis.

Where we are Today? – review of physical conditions of our properties

Need for reconstruction of pool deck

Need for replaster of pool interior

Need to reconstruct Westside tennis courts - last major maintenance in 2003

Need to correct water erosion around Eastside clubhouse through placement of culverts to provide drainage

Where do we want to be Tomorrow?

Kitchen in West Side clubhouse

Remodel restrooms in East Side and West Side clubhouses

Make West Side tennis courts usable

New entrance monuments

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Saddle Creek Finances

FINANCIAL DETAILS - PERFORMANCE

Financial Details- Performance

Saddle Creek Homeowners' Association - 2013 Actuals vs. Expected and 2014 High Level Budget

	2013			2014	
	Budget	Actual	Change	Budget	% of Income
All but one member paid dues! GREAT!					
Income					
Member Dues	\$ 100,659	\$ 111,273	\$ 10,613	\$ 112,828	75.9
Seasonal Dues	5,209	9,333	4,124	6,837	4.6
Program Fees (Swim , Tennis)	32,400	41,828	9,428	22,680	15.3
incl Tennis Donations \$13400					
Donations, Late Fees, Other	4,000	6,207	2,207	6,215	4.2
Total Income	\$ 142,269	\$ 168,641	\$ 26,372	\$ 148,561	100.0
Expenses					
Loan	\$ 28,920	\$ 28,867	\$ (53)	\$ 28,867	19.4
Pool	19,500	16,049	(3,451)	20,000	13.5
Utilities	20,000	15,849	(4,151)	20,000	13.5
Landscape	19,500	20,302	802	18,800	12.7
Program Expenses (Swim, Tennis)	32,298	34,062	1,764	16,750	11.3
Insurance & Taxes	7,800	7,371	(429)	8,100	5.5
Accounting and Legal	8,300	7,197	(1,103)	7,900	5.3
Clubhouses	6,000	6,538	538	6,780	4.6
Membership & Communications	3,700	4,473	773	5,750	3.9
Total Expenses	\$ 146,018	\$ 140,708	\$ (5,310)	\$ 132,947	89.5
Income less Expenses	\$ (3,749)	\$ 27,933	\$ 31,682	\$ 15,614	10.5

This 'savings' is from delayed invoicing
from North River for westside work

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2013 Income Budget versus Actual: Brought in \$26,300 above budget

Much of this was from Donations, Guest Dues and Swim Team income. But, this income varies from year to year. It is not dependable income that we can use for preparing our annual budget.

2013 Expenses Budget versus Actual: tracked with budget

The \$5,300 under budget expense shown is due to late billing from North River for work on ROMEOs sponsored project.

In summary, 2014 should allow for an increase of our Reserve Funds with strict expense management. This is projected to be about \$16,000 based on PASSAGE OF INITIATIVES.

Member Dues Information for 2014	
<input type="checkbox"/>	Annual Dues Invoice \$455.81 mailed over two weeks ago
<input type="checkbox"/>	Please mail in NOW!
<input type="checkbox"/>	AMG needs to receive by March 31.
<input type="checkbox"/>	Late fees of \$45.58 apply on payments received April 1 or later. These can be assessed monthly.
<input type="checkbox"/>	The month of March IS the grace period!

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How do we achieve long term financial stability?

How Do We Achieve Long-term Financial Stability?

- ☐ Follow **Covenants & By-Laws** for success
- ☐ Adopt a **structured process**
- ☐ Maintain a **dialogue** with members
- ☐ Construct **vision-driven Forecasts**

Achieving **financial stability** is a **systematic process**

LONG-TERM FINANCIAL STABILITY

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Review data from June/July 2013 Survey: <http://www.saddle-creek.net/view/survey-2013--1a.aspx>

General Session meetings in November & January along with Survey responses provided our priorities.

Short Term priorities and prices received for each:

- Pool plaster and deck replacement (\$107K)
- West Side tennis court reconstruction (\$99K)

Mid Term priorities and prices received for each:

- Usability and Appearance of Clubhouses (\$300K)
- Entrances improvements & Parking Lot repaving (\$150k)
- Improvements for use of currently underutilized East Side Green Area (\$80k)
- Pool pump replacement and East Side tennis courts resurface (\$50k)

Long Term priorities

- Have strong Reserve Fund
- Drive toward 100% HOA membership
- Increasing membership will allow accelerating the project timeline for long term priorities

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Vision for Saddle Creek

A Vision for Saddle Creek

Saddle Creek members are proud of our high quality facilities and common areas. We enjoy use of the common properties, which also maintain and improve our home values, and attract new membership.

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A VISION FOR SADDLE CREEK

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How do we make this happen?

BOARD RECOMMENDS PASSING THE SOLUTIONS PACKAGE

Three Part Funding Package

- I. Initiation Fee
- II. Raise annual dues for 2015
- III. Member Assessment in 2014

Benefits

Usable facilities

Long term financial stability

Board Recommendation at January 2014 Meeting

☐ **Solution Package Is Three-Parts Working Together**

- I. **Buyer-Paid Initiation Fee at Purchase of Home** in 2014+
- II. **Raise Annual Dues** to Responsible Level in 2015
- III. **Member Special Assessment** in 2014

☐ **What are the Benefits? (What this means for you and SC)**

- ☐ 2015: Usable Facilities - Pool and West Tennis Court Area
- ☐ 2018 to 2020: Improvements - Clubhouses and Entrances
- ☐ Boost future fiscal health of SC & your properties

☐ **What are the Challenges?**

- ☐ Educating Members Not At Meetings (Need Your Help!)
- ☐ What We Don't Control – Non-mandatory HOA!

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BOARD RECOMMENDATION AT JANUARY 2014 MEETING

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Initiation Fees (paid by buyers) reduce annual dues and the prospect of annual increases.

The increase in annual dues is expected to remain steady 5-6 years (assuming inflation remains at current levels)

The one-time special assessment is necessary because there is no time to save up for some projects.

We need to vote separately on each of the three parts because of legal requirements.

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Three-Part Package for Funding - Details

- I. Initiation fee paid by new owner of Saddle Creek home of 1.5 times annual dues.

Saddle Creek – Financial Planning Recommendations
Part I of Three-Part Package

Buyer-Paid Initiation Fee at Purchase of Home

- ✓ Limits need for annual dues increases
- ✓ This SOLUTION PART works LONG-TERM!
- ✓ 1.5 Times Annual Dues (No Cost to Member, **Paid by Buyer**)
- ✓ To Pass: Consent from two-thirds of member lots

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SADDLE CREEK – FINANCIAL PLANNING RECOMMENDATIONS
SC

- II. Raise annual dues Provides for ongoing contribution to the reserve fund AT A PROPER LEVEL.

Saddle Creek – Financial Planning Recommendations
Part II of Three-Part Package

Raise Annual Dues beginning 2015

- ✓ Builds reserves for 2018+ major capital expenses - clubhouses
- ✓ This SOLUTION PART works in the MID- and LONG-TERM!
- ✓ \$650 anticipated to be steady at current inflation
- ✓ To Pass: Consent from simple majority of member lots

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SADDLE CREEK – FINANCIAL PLANNING RECOMMENDATIONS
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- III. Assessment (money is earmarked for specific projects i.e.: plastering of pool, new pool deck and reconstruction of West Side tennis courts).

Saddle Creek – Financial Planning Recommendations
Part III of Three-Part Package

Member Investment (Special Assessment) in 2014

- ✓ Address pool deck and plaster, west tennis/recreation area
- ✓ This part fixes what we need right now!
- ✓ \$650 payable by 2014 December 31
- ✓ Board Decision: Consent from two-thirds of member lots

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SADDLE CREEK – FINANCIAL PLANNING RECOMMENDATIONS
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Floor Opened For Member Input and Q&A:

John Rittenberg, a Convey, said he was willing to volunteer for committee to obtain assessments from non-members. He was willing to write a one-time check in support of the neighborhood.

Questions and Answers from the floor:

Are dues prorated at sale of property?

Yes at closing.

Will there be annual dues increases in coming years?

It is the Board's intent to hold stable at \$650 for 4 – 5 years, longer if possible. However, we do not control inflation.

Can we ask non-member homes to pay assessment?

Our past experience has not been good for various reasons. However, this is the reason for an ACTIVE non-member donations project.

If dues go from one of the lowest to one of the highest in the area, does that negatively affect the desirability of our homes?

Lack of usable and attractive facilities are likely to hurt home sales more than the amount of dues.

What about wear and tear on the facilities from outside users?

In light of a dependence on variable income to maintain current operations, the Board does not believe it is prudent to curtail any revenue sources. Any wear/tear costs on asphalt or concrete is recovered by participation fees charged to those outside users.

The current Board is encouraging activities so that they promote/market Saddle Creek and its facilities and provide additional sources of income. Living in a planned urban development requires shared responsibility and acceptance that not everyone is going to use each facility or common area equally or derive the same amount of utility.

PARKING LOT QUESTIONS (answered below after further research into detail)

What about foxes other animals endangering pets in Saddle Creek?

The Saddle Creek Board contacted AWARE (Atlanta Wild Animal Rescue Effort). We were told that foxes typically prey on animals much smaller than cats. While there are coyotes present around metro Atlanta neighborhoods they are primarily nocturnal.

AWARE's advice was for area residents to read and follow tips on their website (links provided) to minimize the risk of pet loss. This involves taking precautions as pet lovers to understand that what we do as owners may actually promote wildlife to seek easier food sources, etc. Some of these are allowing cats to be roaming outdoors, feeding pets outside near the home, and having bird feeders on a deck instead of away from the house.

<http://www.awarewildlife.org/i-found-a-wild-animal/living-with-wildlife>

<http://www.awarewildlife.org/i-found-a-wild-animal/living-with-wildlife/peaceful-coexistence-faqs-and-tips>

<http://www.awarewildlife.org/i-found-a-wild-animal/living-with-wildlife/trapping-and-relocating>

Another site: <http://coyotecoexistence.com/>

Please call AWARE at (678) 418-1111 for more information

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How many members use the tennis courts?

Based on submitted rosters, Saddle Creek members make up more than 70% of the tennis teams in the last year - some teams are lower 45%, others are higher 80+%. The 30% non-member players generated more than \$6,000 in 2013. This income has grown from \$1,800 in 2009 and continues to support Saddle Creek. Variable income is vital to our SCHOA budget as our member dues are not sufficient to cover current annual expenses including the loan payments.

How many members have children on the swim team?

Saddle Creek children made up 53% of the swim team in 2013. The entire swim team generated more than \$6,700 in net income and more \$3,100 was due to outside participants. This is another needed source of revenue for Saddle Creek. Variable income is vital to our SCHOA budget as our member dues are not sufficient to cover current annual expenses including the loan payments.

Adjournment: The Saddle Creek Annual Meeting for 2014 adjourned at 5:20 pm. Consent Forms for the initiatives were distributed to members present.