

SIP HOA ANNUAL MEETING

MARCH 27, 2023

TILLERY TRADITION COUNTRY CLUB

1. Meeting call to order by President Tom Berkau.
2. Roll called by Roxane Allen with Tillery Management.
3. Approval of minutes for 2022 annual meeting will be approved by email vote.
4. Financial report for 2022 and 2023 budgets by Steve Burns, Treasurer

a. 2022 Budget

1. 2022 budget was \$51,275 with the largest single item being the landscaping of \$20,500.

2. Largest single overrun for 2022 was the replacement of the keypad entry system at both the front gate and the construction gate, which cost \$14,310. We also incurred cost for additional signage of \$743 at the gates. We replaced the motors that operate both gates at the entrance in 2021, but we received insurance proceeds and paid invoices in 2022 netting about \$1,000 that came out of the \$8,000 budgeted for 2022 for gate costs. We are hopeful there will not be as many repairs on the gates in the future since everything is new (but we still have problems with construction/vendor vehicles coming through the front gates instead of the construction gate off Deerfield Road).

Overall, Swift Island Plantation HOA ended up with a surplus of \$13,610 for 2022 which was \$9,419 lower than the budget surplus of \$23,029 due to the new keypad costs.

2022 Reserve Account – We received capital contributions of \$25,920 and interest of \$332.78 in the reserve bank account during 2022, which brought the reserve account up to \$133,066.39 and with the 2022 surplus the HOA reserve account will be at \$146,094.76 as of the end of 2022.

b. 2023 Budget

1. 2023 budgeted costs is \$53,125 which includes \$3,000 for gate maintenance, \$2,250 for fill dirt at trailer lot, \$25,000 for landscaping (actual low bid was slightly below this, but additional funds were included for possible extra work and survey).

- c. Increase in annual dues for future road repaving discussions:

1. No increase in HOA dues for 2023 but will probably be some increase for 2024 to avoid \$3,000 to \$4,000 special assessment for roads in the future.

2. An estimate of future HOA annual dues increase to build the reserve account was then discussed. We had contacted Todd Honeycutt with J.T. Russell & Sons, who did our roads approximately 2 years ago about expected life and general cost growth from 2020. The cost 2 years ago was \$350,000 and Todd thought the cost would increase about 3.5% per year based on what he was seeing over the last couple of years.

The Treasurer presented a forecast that showed how the costs would grow based on a range of 3 to 4% per year and assuming the roads would last 12 to 15 years. This analysis did not consider the new Jordon Timberland road extension recently completed.

If you extrapolate the \$350,000 road costs out to 2033 then the expected road cost is about \$550,000 at a 3.5% growth rate. The road repaving in 2020 was expected to last up to 15 years if we had minimal heavy vehicle traffic. Given the amount of additional heavy vehicle traffic that has occurred the Board now thinks the life will be shorter. The schedule handed out shows the increase in HOA dues needed to get the reserve up to the \$550,000 repaving costs by 2033. The Board will decide what to do for 2024 and 2025 HOA dues later this year when they see how operating results and what capital contributions occur. The projection does not consider the capital contributions in the reserve account build, other than 2021 and 2022, since lot transfers fluctuate, and amount is not certain. The capital contributions will also help cover some unknown or unexpected costs. The board will look at where we are each year before deciding on increasing the HOA dues. We do not have enough space now to provide every lot owner with parking space for a boat trailer or RV including the new 11 lots being developed by Jordan Timberland.

5. ARB update from Hoy Lanning. There were no inquiries of the ARB committee.

6. Sharon Mason then presented the election results for the Board of Directors. Two vacancies were up for election and Tom Berkau and Mitch Davis agreed to fill the vacancies. A vote of the membership was required and was completed by an email vote prior to the meeting. Both Tom and Mitch were reelected for aBoard positions.

7. Tillery Management report was given by Robbie Cohen. Robbie provided that there could be some additional HOA dues paid related to the new development lots being transferred from the developer to individuals. Robbie said they will be working with the HOA on the parking area solutions and needed changes.

8. President Tom Berkau then reviewed 2022:

a. As Steve Burns pointed out the biggest expense we had this year, which was not anticipated, was the replacement of the keypad systems at the front and rear gates. What we had was outdated and kept giving us problems. Edgewater and Eagle Point both installed the same systems Swift Island went with and they have had good service with their systems, so we expect our maintenance costs to go down since we have also installed new motors, etc. at the entrance gates. We are putting part of our reserve funds in a CD to try to get some interest income (although the HOA will pay taxes on the income) and hope to have additional transfers of lots during this same time period which will help grow our reserves.

b. The trailer lot expansion is still an issue for the Board of Directors and we have had 30 loads of dirt delivered and hope for another 70 loads in the future. We have ordered a topographic survey of the trailer lot to determine if we can expand to the back of the lot or whether we should approach Jordan Timberland to exchange some of our land for their land that is outside of the subdivision for expansion. At this time we do not have enough space to provide every lot owner with space for a trailer or RV. If we can find a way to expand, we should be able to provide the necessary space.

c. A number of Rules and Regulations for SIP have been codified this past year and sent out to the membership. Two of the rules deal with parking on the street and parking on the shoulder of the road in the right of way. A third rule deals with members who give their contractors and/or vendors their front entrance code to come in through the front gate rather than giving them their construction gate code off Deerfield Road to enter the subdivision. Because of all the damage that has been done to the front entrance and exit gates, a \$100 fine will be imposed on the member who violates this rule and gives out his or her front gate code. A fourth rule deals with getting dirt/red clay mud on the roads either from construction or yard work at a member's lot. Upon notice from the HOA management company, the homeowner will have 24 hours to remove the dirt/red clay/mud from the street. If not removed, the management company will have the road cleaned by an outside vendors and charge the cost of the service to the member who violates the rule.

d. As previously discussed, we will be looking at increasing the dues in the future starting with 2024, but will not make a decision on how much until closer to the end of the year when we can see where we are and what it is going to take to get enough reserve built up by the time the roads have to be repaired again. We obviously do not want to do another substantial assessment of the membership in the future if we can avoid it by increasing dues periodically.

9. Open Forum was then allowed for any member: A request was made the Board of Directors to consider the following:

a. NOTE last year the Board was asked to see if anything could be done to control the deer population. Did not find a solution to that issue that is legal. Also the Board was asked to address the dog poop not being picked up by dog

owners in the SIP. A notice was sent out to the membership to be considerate to other members and their lots.

b. A question was raised about the \$2,500 construction bond process and if there was supposed to be a deposit by both contractor and homeowner. Robbie Cohen provided that has not been the historical practice.

c. There was also a question raised about an informal beautification committee being able to submit to the HOA for reimbursement of some of the cost for decorations at the front gate.

d. There was some discussion on how homeowner violations should be handled by the management company versus direct discussion among homeowners.

e. Currently committee minutes are not shared with the HOA members and question was raised about developing a process to make them available to the HOA members on regular basis by posting them on line somehow.

f. A question was raised about entry times for construction gate entrance and codes not working. Suggestion was made that address look up system be used by contractors needing any after hour entry so owner could provide access via the construction gate.