

# Sparkling Waters Homeowners Association

2014 Annual Meeting

April 6, 2014

# SWHA Annual Meeting Agenda

- Update on Assoc activities
- Near term activities
- Financial report
- New Business
- Voting Issues
- Next meeting



# Roll Call

- P** Akins, Ellis & Alicia-1
- P** Bagnall, Russ & Deborah-1
- P** 1<sup>st</sup> Commercial Bank-2
- Bone, Ryan & Heather -1
- Bushelle, Bill & Paula-1
- Cass, Levi & Jackie-1
- Collier, W Lee-1
- Day, Lauren & Jason-1
- Dixon, Alan & Monika-1
- Felty, Thomas & Libbi-1
- Fojtik Rich & McGonigle, J.-1
- P** Franks, Chad & Kim-1
- P** Gildea, James & Gaudencia-1
- Graham, Barry & Alicia-1
- Guin, William & Jacqui-1**
- P** Hammons, Stewart-1
- P** Jennings-Beasley, Fran -1
- P** Johnson, Sam & Silinda-1
- Keith, Stephen-1
- Lio, Christopher & Joan-1
- Manion, Lisa & Michael-2
- McLawhorn, Howard & Maureen-1
- Montgomery, Billy & Cynthia-1
- P** Nation, Andrew-1
- Rabb, Jimmie & Victoria-1
- Rak, Kevin and Mary-1
- Rettig, L. & Nicholson, C.-1
- Rodriguez, Moises & Yeidy, M.-1
- Rogacki, J & Heise, S -1
- Russo, Troy-1
- P** Shaw, Michael & Helen-1
- Shiloh Developing LLC-1
- Simpson, Douglass & Mary-1
- P** Spolski, John, Nancy, John-1
- P** Spurling, David-1
- Strait, Sean & Donna-1
- Styba, Scott & Maria-1
- Totty, John & Christine-1
- Tracy Acree Constr-1
- P** Vellanikaran, Alice-1

# Update on Assoc Activities

- CR&R, Slip Assignments, By-Laws, Dock Declaration Recorded w/ County Clerk  
<http://officialrecords.clerkofcourts.cc/>
- Obtained liability insurance
- Re-registered SWHA with State of Florida
- Renewed retainer with Becker & Poliakoff
- Federal tax return
- Established Mutual Fund Acct for Road Repair Fund—Lord Abbett Short Duration Inc A
- Neighborhood BBQ
- Dock Repairs/Improvements



# Dock Repairs/Improvements





# Future near term activities

- Landscape Maintenance
- Re-register SWHA with State of Florida
- Wetlands Overwalk & Gazebo Repairs
- Website Update ([www.sparklingwatershoa.com](http://www.sparklingwatershoa.com))

# Submerged Land Lease Transfer Fee

- Reported last year that SLL was not a fixed cost; but the higher of:
  - Standard SLL fee
  - 6% of “Direct and Indirect Income”
- Transfer of two slips would have resulted in an SLL fee of \$2400 - \$3600
- However, Gov Scott signed HB13 into law, effective July 1, 2012, negating these extraordinary fees and extending the SLL term from 5 to 10 years.  
[http://laws.flrules.org/files/Ch\\_2012-202.pdf](http://laws.flrules.org/files/Ch_2012-202.pdf)
- Proposed HB703 seeks to clarify #2(a), above, by saying, in effect, that if there is no lease, there won't be a Renewal Processing Fee <http://www.fhft.org/>



# HOA Bill Summary: SB 1348

- Renames DBPR to “Division of Condominiums, Homeowners’ Associations, Timeshares, and Mobile Homes”
- Provides that regulatory oversight of HOAs is necessary to ensure compliance with federal and state laws and local ordinances.
- Gives Division jurisdiction to enforce compliance with Chapter 720 and the “adopted rules” relating to HOAs.
- Gives the Division the authority to levy civil penalties against the developer, the association, and individual officers and board members.
- Effective January 1, 2015, requires a \$4.00 per unit fee in order to fund the new regulatory program. Beginning on January 1, 2016, the Division may increase the fee to reflect changes in the cost of living under s. 401(a)(17) of the IRS.
- Prohibits general proxies for most homeowners’ association votes and requires a “condo-style” two-notice, two-envelope secret ballot election process (for HOAs of 10 or more parcels).
- Requires majority approval for two-year staggered terms (even if two-year staggered terms already provided in the bylaws).



# Financial Report

Alicia Graham  
Secretary/Treasurer

# Previously Estimated Budget May 2013-April 2014

Administrative/Attorney Costs	1,525.00
Insurance	1,200.00
Utilities	2,000.00
Street Maintenance and Repair Fund	10,000.00
SWHA partial share of Dock costs	1,000.00
Improvements	1,500.00
Total	17,225.00
Number of Lots	42
Per Lot assessment	410.12



# Financial Report

- Assessments/Fees collected
  - 41 of 42 lots fully Paid thru 2013
  - 33 of 42 lots fully Paid as of April 6, 2014
  - 1 Delinquency (1 Lien filed)
    - Two lots in foreclosure: (A9 Guin, D1 Collier).
    - Banks have sold remaining foreclosed properties to new homeowners.

# Financial Report

• <b>Actual Expenses (2 Apr 13– 2 Apr 14)</b>	
– Gulf Power (Street Lights)	1,850.74
– State filing fee	70.00
– Administrative (postage, recording fees, website, etc.)	423.05
– Attorney Fees	125.00
– Construction, repair, supplies, landscaping, etc.	662.61
– Liability Insurance	997.90
– Common Dock (SLL-SWHA Share)	179.76
– Annual BBQ	151.85
– <b>TOTAL EXPENSES:</b>	<b>4,460.91</b>
– Deposit to Road Repair Money Mkt Acct	10,000.00
• <b>Current Balance Checking Acct (xxx-xxx-625-0)</b>	<b>13,680.03</b>
• <b>Balance Lord Abbett Short Duration Inc Class A</b>	<b>50,003.19</b>
• <b>Current Balance Road Repair Money Mkt Acct</b>	<b>27,658.36</b>



# Financial Report

- Upcoming expenses (Apr 14-Apr 15)
  - Insurance 1,200.00
  - Filing Fee (due by May 1<sup>st</sup>) 70.00
  - Utilities (Streetlights and Gazebo) 2,000.00
  - Attorney Retainer (due by Jan 1<sup>st</sup>) 125.00
  - Administrative 400.00
  - Miscellaneous Purchases and Repairs 1,000.00
- Allocations
  - Improvements 1,500.00
  - Road Repair Accounts 10,000.00
  - Attorney costs 1,000.00
- Total Projected Expenses/Allocations: \$17,295.00

# Financial Report

• Beginning Balance	13,680.03
• CY14 Assessments	10,000.00
• CY14 Outstanding Dues	6,800.00
• Delinquent Property Dues/Fees	2,425.00*
• Less Projected Expenses	- 4,795.00
• Less Projected Allocations	- 12,500.00
• Expected Working Balance	10,760.03

\* Revised CR&R ensures that SWHA will eventually collect back dues/fees from foreclosed properties



# SWHA Proposed Budget May 2014-April 2015

Administrative/Attorney Costs	1,525.00
Insurance	1,200.00
Utilities	2,000.00
Street Maintenance and Repair Fund	10,000.00
SWHA partial share of Dock costs	300.00
Improvements	1,500.00
Total	16,525.00
Number of Lots	42
Per Lot assessment	393.45

# Boat Slip Fees to be due 17 May

• Maintenance and Repair	\$200.00
• Submerged Land Lease Share	29.66
• Insurance	5.83
• <u>Lights/Power Loss</u>	<u>23.83</u>
• Total	\$259.32
	+
• Actual Usage for Electrical/Water	By Slip



# New Business

## Sinking Funds Investments

- Share Class-A or C shares-A shares charge the upfront commission and you can sell at any time for no charge. C shares are charged no commission but if you sell within 1 year or purchase, the fund will charge you 1%.
- Difference between having the investments at Wells Fargo or directly:
  - Number of accounts: If we invested multiple accts directly, would have to open an account at each fund. Would be a single account with Wells Fargo.
  - Transaction Fees-\$6 transaction charge at Wells Fargo. There would be no additional charge for any support other than the transaction fee.

# New Business (cont)

- Sparkling Waters Phonebook
- SWHA BBQ in October, but not a Saturday?
- Neighborhood Security
- Updating Governing Documents; BOD to establish rules documents for levying fines??
- Overwalk & Gazebo Repairs
- Landscaping Spring Workday; Sat, May 3rd



# Landscaping



Last Year



Now





# New Business (cont)

- Responsibilities of Landlords ??
- Seller's responsibilities (closing requirements)??
- Proposed Waiver of Statute 720.303 from Membership to insure Board of Directors for personal liability
- Proposed Date for Next Annual Meeting-  
Sunday, April 12<sup>th</sup>, 2015 (Easter is April 5th;  
Okaloosa Cty Spring Break is March 23-27th)
- Open floor
  - Wait to be recognized
  - Once recognized you have the floor
  - Five minute time limit



# Voting Issues

- Budget
  - On the question of whether to accept the recommended budget and assessment?
    - Yes or No
- Personal Liability Insurance Waiver for BOD
  - On the question of waiving Statute 720.303 that requires personal liability insurance for BOD members
    - Yes or No
- Use of Wells Fargo Advisors
  - On the question of using Wells Fargo Advisors for advice on how to invest funds for sinking accounts and to assist in transactions.
    - Yes or No

# Voting Issues (cont)

- Officers
  - Nominations
  - Officers: Pres; Vice-Pres; Secy/Treasurer; Director
- Next Annual Meeting? Sunday, April 12th, 2015
  - Yes or No.



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# Back-ups



# Dock Master

- Board of Directors has appointed Chris Lio as Dock Master
- Dock Master duties
  - Ensure **Mooring Facility rules** are followed
  - Ensure Community Dock rules are followed
  - Read electrical meters
  - Manage maintenance and repair
  - Emergency response

# Mooring Facility Rules & Regs

- 1. Annual Slip Fees shall be determined by the Board of Directors, which shall annually estimate the expenses of the Association for the ensuing year, plus any deficit from the preceding year, as well as a reserve for the payment of indebtedness or other corporate purposes
- 2. Slip Assignees must be current on all assessments to the Association, including both standard Association annual assessments and Slip Fees, in order to use the Mooring Facility and Boat Slip.
- 3. The Mooring Facility shall be used only on a non commercial basis by and for benefit of the authorized Boat Slip users. Authorized users are Slip Assignee, Assignee's family and accompanied guests, or Assignee's tenant.
- 4. Any vessel moored in a Boat Slip must be registered or documented in the name of the authorized Boat Slip user.
- 5. Boat Slip users must maintain vessel liability insurance on any vessel moored.
- 6. Live-aboards are prohibited.



# Mooring Facility Rules & Regs (cont)

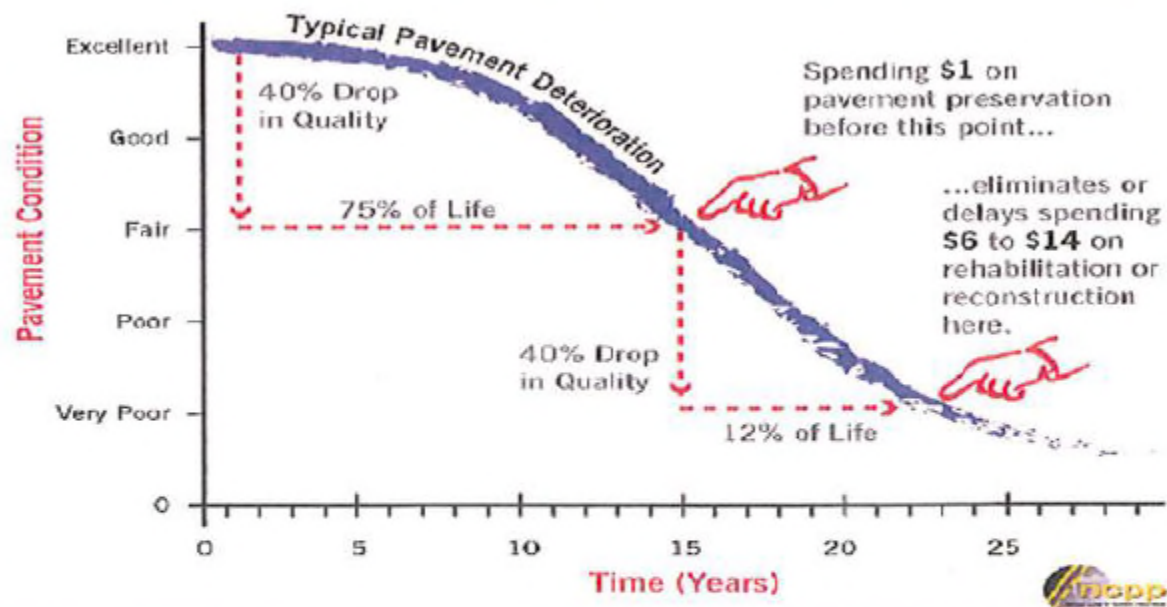
- 7. No boat shall be moored outside of a designated slip
- 8. All vessels shall be moored in a seamanlike manner with minimum ½ inch nylon dock and spring lines, unless in a boat lift.
- 9. No supplies, equipment, or other items shall be left on the docks. Boat Slip user's shall ensure the Mooring Facility is clean, and all trash and other refuse is removed after each use.
- 10. All electrical lines from the dock to the boat must be three wired, grounded extension lines designed for marine use. Power and water stanchions will not be used to secure power cords, hoses, etc.
- 11. Boat Slip users shall not use, nor permit others to use the Mooring Facility for any disorderly or unlawful purpose.
- 12. Boat Slip users shall remove vessel from Mooring Facility if directed by the dock master (due to adverse weather/hurricane, required repairs, loss of use privileges, etc).
- 13. Boat Slip users shall require all rules and regulation to be faithfully observed by family, guests, employees, tenants, etc.

# Common Dock Submerged Land Lease

- Submerged Land Lease (SLL) obtained in July 2010; Construction completed in Oct 2010; Renewed Annually
- Based on square footage of the common areas vs slips, SWHA pays 33% of SLL annual renewal and slip assignees pay 67%
- Slip Assignees pay for share of liability insurance
- All 12 slips now have a signed and recorded assignment and agreement
- Separate Dock Account managing docking facility funds



## PAVEMENT PRESERVATION IS COST EFFECTIVE



Source: National Center for Pavement Preservation.

**ASPHALT PRICES: UP 70% CONCRETE: UP 36%**  
**PRICE TRENDS HAVE LEVELED OUT DUE TO ECONOMIC DOWNTURN.**

**OVERALL PURCHASING POWER OF A TRANSPORTATION DOLLAR WILL HAVE DECLINED 80% FROM 1993 TO 2015.**

SOURCE: [http://www.pavementpreservation.org/news/RoughRoadsReport\\_May2009.pdf](http://www.pavementpreservation.org/news/RoughRoadsReport_May2009.pdf)

# Recommended Annual Assessment

- Account balance plus \$400 per lot per year will meet expenses
- Retain allocation to Road Repair fund to \$10,000 a year. Required to avoid special assessment. Going rate for repaving \$150K per half-mile. Road lifespan can be reduced by weather, floods, vehicle volume, speed and weight.
- Recommend \$400 yearly assessment