

**January 14, 2020.** The Spanish Wells Community Association board of directors has compiled its third annual listing of accomplishments. The purposes of this listing are to recap the significant events of the year just ended and to identify continuing issues and opportunities. Hopefully, you have already seen many of these items of interest as they had previously been reported throughout the year 2020 in board minutes, committee minutes and community-wide communications. Please access the SWCA website at <https://community.dwellingleive.com/spanishwells.aspx> for community information and documents.

This report is prepared by the board and the various committees through which it operates. The board and the committees monitor community conditions, operations and assets. They work with the community manager on day to day, seasonal and annual issues. They are guided by the purposes of the association as outlined in Article II of the Articles of Incorporation.

**Committee: Asset Oversight** - R. Paulhamus, A. Fairrie, J. Wiant, and W. Hines (ex officio)

The Asset Oversight Committee (AOC) is a committee of the SWCA Board of Directors. The umbrella purpose of the committee is to monitor and manage the relationship between Indigo Golf Partners (IGP – formerly Billy Casper Golf) and SWCA as required by the contract with IGP. This includes serving in a fiduciary role to represent the financial interests of the Spanish Well residents by preserving and enhancing the value of the golf club asset. In this role, the AOC regularly monitors the financial performance of the club, vets all IGP requests for capital and maintenance expenditures, determines if these requests are appropriate and, if so, recommends the expenditures to the SWCA Board of Directors for approval.

In 2020, the AOC, in conjunction with IGP and the SWCA President, expanded and refined the strategy for long term business development of the golf course and country club product. The basis of this refinement was the full reserve study of the golf club asset conducted by Reserve Advisors with corporate offices in Milwaukee, WI. This organization was selected by the SWCA Finance Committee over other firms based on their experience with analysis of golf clubs and the adherence to the standards for the Association of Professional Reserve Analysts (APRA) for full reserve studies.

With the results of this study, SWCA and the AOC now possess a baseline of detailed assets, expected life, remaining life and estimated replacement costs. As this product is married with existing funding sources and projected funds derived from the golf club profits, definitive plans can be established identifying where funds may be needed, the timeframe when they will be required, and sources of those funds.

During 2020, twenty-one projects were vetted by the AOC and approved by the SWCA Board. With the calendar boundary, some will be completed in 2021 by IGP. In total, \$320,318 was

## SPANISH WELLS COMMUNITY ASSN. - YEAR 2020 ACCOMPLISHMENTS

allocated to approved projects and funded from remaining insurance proceeds and the SWCA share of club profits. These funds were distributed across non-discretionary and discretionary projects as shown in the table below.

<b>Project Type</b>	<b>Expenses</b>	<b>Examples</b>
Non-Discretionary	\$216,850	<ul style="list-style-type: none"> <li>• Replace HVAC for Pub</li> <li>• Replace turbine pump for irrigation system</li> <li>• Improve drainage and rebuild bulkhead on hole 7 on south course</li> <li>• Replace roofs on course restrooms</li> </ul>
Discretionary	\$103,468	<ul style="list-style-type: none"> <li>• Rebuild greens on north course for consistency with east and south courses</li> <li>• Acquire new dining tables and chairs to facilitate reconfiguration of dining area for events</li> <li>• Install wet well system for irrigation to extend life of system</li> <li>• Study of club / course landscaping</li> </ul>
<b>TOTAL</b>	<b>\$320,318</b>	

No review of 2020 would be complete without mentioning the impact of the coronavirus. Details of the impact on the golf club will be provided in the report of the general manager. From the AOC perspective, the club team performed a pivot with incredible speed in the late March timeframe. While there was significant impact on the dining and amenity portions of the business due to federal, state and local regulations, the golf portion was able to achieve unexpected levels of high performance for the year. The primary impact of AOC oversight was the decision to delay the renovation of the club dining space. This decision will be revisited once there is more confidence in the long-term prospects for the food and beverage business.

In 2021, the AOC will continue fulfilling the charter of the committee to preserve and enhance the golf club business that we own. We will continue to monitor the financial results of the club on a monthly basis and work with IGP management to review the 2022 budget. Based on the plan developed with the reserve study, the AOC can anticipate vetting and recommending funding for projects such as:

- Addressing HVAC units that are reaching the end of expected life
- Renovating the dining spaces
- Repairing cart paths across all three courses

- Implementing sub-committee recommendation for pickle ball and bocce amenities
- Replacing Activity Center roof
- Reviewing the landscape architect recommendations and beginning a phased project for upgrading course and clubhouse landscaping

**Committee: Finance** - R. Paulhamus, F. Schwartz, J. Zizzo and W. Hines (ex officio)

The Finance Committee of the SWCA Board of Directors is charged with monitoring the financial performance of the Spanish Wells Community Association and performing a fiduciary role representing the interests of Spanish Wells residents. This includes engaging with Resort Management personnel as they perform contracted services for the association.

One of the priority tasks of the SWCA Finance Committee in early 2020 was to work with The Spires Group, the SWCA auditing firm, to ensure an accurate and complete audit was performed for the 2019 year. The audit included the operations and the reserve budgets for the SWCA HOA as well as the performance of the Spanish Wells Golf and Country Club (SWG&CC), a wholly owned asset of SWCA.

One of the by-products of the 2019 audit was a detailed list of assets at the SWG&CC along with the original cost of each asset and the depreciation claimed through 2019. This product allows calculation of depreciation for future years and tracking of depreciation in the SWCA financial systems. It also serves as a validation of the reserve study of the golf club discussed next.

Selected in 2019 to perform a full reserve study of the SWG&CC, Reserve Advisors conducted an onsite full reserve review of the club and provided deliverables in the summer of 2020. These products provided a foundation for definitive list of assets and an associated reserve plan for the SWG&CC as described in the report of the Asset Oversight Committee.

Beginning in August, the Finance Committee and Resort Management met to develop assumptions and guidelines for the 2021 SWCA budget. Several iterations of the operations and reserve budgets were reviewed in advance of the budget workshop in September. After the workshop, the committee made approved adjustments and prepared a package for distribution to the Spanish Wells residents prior to the board approval in October.

As we move into 2021, the Finance Committee will again work with Resort Management and The Spires Group to ensure the annual audit for 2020 is complete. We will continue to monitor the finances for both SWCA and the golf club to assure confidence in the financial performance.

**SWG&CC Accomplishments during 2020 (B. Shiles)**

- Increased overall revenue by \$207,304 over 2019. (Preliminary and unaudited.)
- Increased EBITDA by \$364,414K over 2019. (Preliminary and unaudited.)
- Reduced operating expenses by \$163,831 less than 2019. (Preliminary and unaudited.)
- Reduced labor by \$60,342 less than 2019. (Preliminary and unaudited.)
- Renovated the greens on the North 9.
- Renovated the cart path and lake bank on East 7.
- Repaired the Bulkhead erosion issue on South 7.
- Created numerous safety protocols for golfers.
- Improved drainage throughout the golf courses.
- Took delivery on new rough mowers, top-dresser, spray rig and a utility vehicle.
- Improved signage throughout the property.
- Painted all building including, fitness center, cabana, bag room, cart and parts of the clubhouse.
- Removed dead trees and began removing invasive species throughout the courses.
- Entered into agreement with a Landscape Architect to create a design and plan for the entire facility.
- Repaired the bridge on # 4 North and put the pro tee box back into service.
- Took delivery on a new range ball machine and a range ball washer.
- Cleared invasive species between # 6 East and the driving range pond and put on a mowing schedule.
- Replaced the old ice machines with new touchless models.
- MRI installed a wet well treatment system in our pumphouse.
- Renovated course bathrooms including new roofs.
- Took delivery on new banquet tables and chairs.
- Replaced the keg cooler in the Pub.
- Implemented exercise classes on the SWCA TV channel.
- Implemented exercise on demand and outdoor exercise classes in the name of safety.
- Sold 43 new memberships, maintaining the quantity of members.
- We learned a great deal about our staff as they adapted to a new way of operating the business. The team responded quickly to local, state and national guidelines for safety and created protocols for our facility to provide a safe environment for our members and guests. *We learned the true heart of our members as the members organized and contributed to an employee fund that helped our food and beverage staff through a couple of tough months.* We learned as individuals to respect others as we all have different comfort levels with social activities over the past months.

**Committee: Community Liaison** - S. Wilkins, S. Lay, M. Anstine, C. Pagliccia, M. Wheelock, L. Spatz, T. Bailey, D. Meek and P. Rendino.

The purpose of the committee is to serve as the liaison between Spanish Wells Residents and Troon Golf. In that capacity it focuses on gathering suggestions from residents and communicating them to Troon (Previously Billy Casper Golf & Indigo Players Golf) as well as passing information from Troon to the Spanish Wells Community.

The CLC is an advisory committee, which means no authority to direct the expenditure of funds. It can make recommendations, but it is up to Troon whether or not they are implemented. Thus far Troon has implemented the majority of CLC recommendations.

It is important to understand that recommendations submitted to Billy Casper Golf are viewed from two perspectives: 1) safety and 2) cost versus return. Safety issues take precedence, and all have been implemented.

Examples of safety issues that were implemented:

- The bushes at the corner of Highgate and White Sands were over-grown and impaired visibility to oncoming traffic. This is adjacent to the driving range and where a golf cart and car collided several years ago resulting in serious injuries to the individuals in the golf cart. The bushes were cut back and there is no obstruction to visibility from either direction.
- Sinking concrete on the sidewalk into the Activities Center produced a tripping hazard. IGP rented equipment and leveled the sidewalk thereby, removing the tripping hazard.
- The mirror on the cart path behind the club house was re-installed. There were several near collisions on the blind corner. The mirror had been taken down for repairs.
- The bushes on the right side of the cart path between south 4 and 5 were overgrown and blocked visibility to golf carts for cars traveling south on Sombrero Drive and vice versa. The bushes were trimmed.
- The Golf cart crossing sign between east 6 & 7 was faded and was replaced.

Some examples of other types of recommendations that the CLC has submitted and were implemented are:

- Removed invasive vines from numerous trees around the course before they kill the trees.
- Added more lighting in the golf cart parking area by cabana.
- The pro shop started sending an email on the status of the course on days when the golf course was closed or cart path only.
- In Response to the Golf Condo request for assistance in stopping errant range balls from striking cars and windows, the Club will hire a range monitor. Duties will include ensuring woods will only be hit from the left side of the range.
- Ice machines needed to be serviced and cleaned more frequently. They were replaced with contact free ones.

### **Committee: Drainage and Ponds** - H. Nyenhuis, D. Tranquilla & P Voelker)

Pursuant to our main purpose of Stormwater Management, the following projects have been completed:

- Drainage piping of the clubhouse north parking lot to Lake 44 – \$65,000. Relieves persistent flooding and creates an alternative stormwater path to the other piping from the northern parking lot under Treasure Cay into Lake 31.
- Restoration of Lake 20 bank in conjunction with the cart path project (#7-hole, east course) - \$15,000. Cart path had become unusable forcing carts onto hill immediately adjacent to golf green.
- \$100,000 project of cleaning catch basins and pipe access points. In order to minimize roadway flooding, stormwater has to be moved quickly and efficiently into the holding ponds in order to begin the sequence leading to expulsion of excess stormwater from SWCA's Lake 50 into the public stormwater channel.
- Installation of UV liner to catch basin drainage between two homes on Treasure Cay - \$25,000. A sink hole had developed between two homes.

Future projects planned for 2021:

- Incorporate Lake 42 (maintenance area) into the Spanish Wells drainage system. Currently unconnected to the SWCA stormwater system, therefore holding stagnant water on a permanent basis.
- Restore lake banks for Lake 14 (6<sup>th</sup> hole, east course and adjacent to Lake Club) and Lake 44 (9<sup>th</sup> hole, east course). This is phase 1 of a multi-year project to restore lake banks that have eroded over the decades.



**Committee: Hidden Lakes Development** - H. Nyenhuis

Construction of wall completed. Waiting for sufficient dry out of ditch in order to complete the final sodding of the ditch and then an inspection sign-off by the city of Bonita Springs.

Committee disbanded.

**Committee: Document Review** -J. Kagy, S. McLaughlin, L. Spotz and W. Hines (ex officio)

- Conducted two Town Hall meetings with SWCA members in order to explain the multi-year document review process and to hear member concerns about the proposed changes.
- The committee converted its response to the major concerns presented at the Town Hall meetings into a cover memorandum, which was submitted to the SCWCA Board for the February Board Meeting as the Committee's recommendation.
- At the February Board Meeting, the SWCA Board adopted the recommendations proposed by the Committee and approved the submission of the final set of revised governance documents to the homeowners for a vote of the membership.
- In accordance with Florida statutes and with SWCA governance provisions, the proposed revised documents were mailed by US postage to all SWCA members. A special meeting of the membership was properly noticed and was convened on July 8, 2020. The purpose of that special meeting was to accept, to verify and to count the votes on the adoption of the 3<sup>rd</sup> amended and restated Articles, Covenants and Bylaws.
- The vote verification committee (SWCA Treasurer, SWCA Secretary and SWCA community manager) verified the authenticity of each vote, accumulated the votes for and the votes against and determined the final vote counts. The committee conducted a full recount in order to confirm accurate vote totals.
- Having exceeded the existing SWCA quorum requirement and having exceeded the required vote percentage for membership approval, the documents were deemed to be approved by the membership. The documents were filed with the appropriate legal authority.

**Committee: Communications** - L. Spotz

Communications Committee sent 109 different messages to the community during 2020. These communications include:

- Monthly newsletters.
- Flyers for club events open to the community.
- Informational emails regarding security, meetings, and financial reports for both the club and SWCA.
- Alerts for wildlife in the community.
- Lost pet alerts.

Other accomplishments for 2020 include:

- In November of 2020, we began our monthly community newsletters. These communications include information on recent SWCA board meetings, financial data for both SWCA and the club, and reports from our committees.
- There are currently 1,634 email addresses in the communication system. Our average open rate for all communications is about 54% which is a 7% increase over 2019.
- With the Technology Committee, update and maintain the community channels 102 and 103 on a regular basis.

2021 Goals:

- Continue to improve the monthly newsletter.
- Increase the open rate on communications sent.
- Clean-up member email addresses and reduce the bounce rate.
- Better programming and more usage of the community channels.

**Committee: Public Safety** - S. Lay & L Spotz

- Monitor Weiser activity at the gate entries to insure safe and accurate entry into the community.
- Work with Resort Management and Weiser to maintain accurate records in DwellingLive.
- Work with Resort Management to maintain gate entrances and infrastructure
  - Work with Weiser and vendors to maintain gate operations e.g., swing gates, crossbars and safety lighting.
  - Work with Resort Management and Weiser to upgrade security equipment e.g., computers, radio equipment, barcode readers and camera systems
- Work annually with Weiser, Resort Management, Drainage & Pond Committee, Communications Committee and Indigo Golf to update the Hurricane preparedness procedures and work with these entities to implement procedures during periodic extreme weather events.



**Committee: Technology** (S. Lay)

- Monitor trouble tickets via the Summit maintenance portal.
- Conduct quarterly meetings with Summit to address outages, upgrades, call center issues and pending maintenance work.
- The technology committee works weekly to maintain and update content on the community channels 102 & 103. At the start of the pandemic fitness videos were uploaded to the channels to continue yoga and cardio workouts from home. In addition, golf self-help videos were also added.
- Summit added the NASA channel and Newsmax to its channel line in 2020.
- Summit added the telephone app “Route This Helps” to assist with trouble reporting. “RouteThis Helps” runs a variety of network tests and diagnostics to help identify problems impacting smart home devices and internet connectivity.

**Committee: Landscape** - C. Eisner, S. Danis, S. Zoglio, W. Coward & E. Lyons)

During 2020, residents may have noticed landscape work being completed on a few of the Islands throughout Spanish Wells. The islands that received new landscape material also had landscape lighting installed, but only if the island had an existing power source. The work accomplished was done to enhance the appearance of the islands and to increase visibility where the islands intersected at other streets. A few of the islands scheduled for work had to be placed on hold, due to BSU performing needed maintenance work on BSU systems within or adjacent to some of the islands. The work on these islands will resume in 2021.

In March, the Landscape Committee was given the task to assess three vacant lots owned by SWCA. The committee visited each site and followed up with a report, which was submitted to the SWCA Board. The committee made recommendations for the potential use of these lots by the community. Whether the lots would be used for daily activities or used for a specific outdoor function, the overall appearance of these lots would require a cleanup.

The SWCA board has deferred consideration of these recommendations pending the recommendations being developed by the sub-committee on pickle ball and bocce amenities.

Starting January 2021, the landscape chairpersons for the Spanish Wells, the Marbella and the Cordova landscape committees have agreed to coordinate the replanting of annuals to three times yearly, at each of the gates accessing the Spanish Wells Community.