

Members of Willow Creek Swim and Tennis,

First, I want to apologize for the confusion and frustration many of you have experienced regarding the Reserve Initiative vote. I accept full responsibility for the issues and hope I can earn your trust going forward.

Next, this Board is here to serve you. We have volunteered to participate in directing the Swim and Tennis Association in good faith for the membership and offer willingness to go above and beyond every single day. This Board has done a remarkable job in performing the tasks you ask of them, and I don't want that to be lost in the conversation.

Every issue pointed out with the process of voting is mine alone. That said, I think it is helpful to try to explain the context of this initiative, the timing, the thought behind it, and other questions that have been expressed on the Facebook forum. The Board is always open to suggestions, and I strongly suggest you take as much time as you need to familiarize yourself with the issue and give thoughtful consideration to your vote before submitting by September 30. There is no pressure to vote immediately.

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I. IMPACT OF THE CURRENT ASSOCIATION SCHEDULE

Upon joining the board in May, I saw that the WCSTA Board calendar was an impediment to the functionality of the Board. New Board members joining at the May meeting are at a significant disadvantage because the swim season is ready to start, and tennis winter season has nearly finished. My conclusion is that our annual meeting is too late in the year for the new Board to properly prepare for fiscal review and understanding before we are into the thick of it. And there is no time to do anything in that entire swim season but fight fires and familiarize ourselves with the process. The previous Board had done all the planning and any changes or new ideas or real cost savings the new board members would have to wait until year two. This is not the most ideal scenario.

Because of this, we have proposed moving our required annual meeting to November, so a new Board has time to acclimate before a new year begins in earnest. That means we must create a working budget in October to present to the membership before the meeting. And this Reserve Initiative has a significant impact on the operating budget. **This was a key consideration in the exact deadline of September 30 for a decision.** This change to our Bylaws will be voted on at the next Board Meeting on August 18.

II. IMMEDIACY

When faced with serious issues, Boards like ours often either delay a response so the next Board can take up the matter or find the easiest, least “painful” way to solve the problem in the short term. It’s just human nature. I have no complaints with the former WCSTA Boards. They all acted as best they could and in our best interest. That said, the Reserve Study demonstrated a significant shortfall in funding in the relative short term (5-6 years). Last year’s Board and, as a continuation, this year’s Board felt that delay was not an option. We felt we had to change the trajectory of the funding in 2026 because each year of delay translates into higher assessments in the future, because the same amount of money is needed with less time to collect. We felt if we were going to take action, it would have to be this year, this fall.

III. FEEDBACK/INPUT

Our thought was to make the membership aware through the reactivated physical newsletter – everyone will get the same information rather than some people getting it and then sharing it like the old game of telephone. Then we tried to make a big splash with the Annual Meeting in April to educate the membership, hoping members would want to understand and discuss it with us in more detail, but we couldn’t even muster a quorum (for the second year in a row). And you know the rest of the story. Bottom line, our efforts to engage the membership failed, and we must own that as well.

IV. BALLOT BEFORE TOWN HALLS

Since we weren't getting the interest we expected and time was passing, I thought that by providing an unusually long time from receipt of the ballot until the close of voting, it would give the membership the opportunity to read the ballot, investigate the information offered and increase membership participation in one or more Town Halls. Since the core issue is the Reserve Study and its impact on our management of the Association now and into the future, it made sense to make that the topic of the first Town Hall. The interest in more Town Halls are needed and wanted is evident. But it appeared to me that without a ballot on the table, this issue would continue to languish due to lack of interest and we would once again kick the can down the road.

V. OUR UNUSUAL STRUCTURED SWIM AND TENNIS

We have an unusual Community Association by our governing covenants. The community was not originally designed as a mandatory Swim/Tennis. Therefore, non-permanent properties cannot be forced to join when they are sold or at any time – it is a property rights issue. An owner must agree to become a member. But we are a permanent association, which means a property that is a member will continue to be a member into perpetuity. We have two primary membership levels. Club level with full access to all amenities, and Civic level, which was designed for homeowners who had no interest in using the Swim/Tennis amenities the opportunity to share in the cost of maintenance and repair of common areas alone. Our covenants also require that when a Civic Member property is sold, it must transfer to Club membership. Again, membership is not mandatory, but it is permanent. And to add an additional twist, when the Association was founded (in an effort to gain more club members, which was critical to getting this Association off the ground), Charter club members were offered the opportunity to transfer to Civic one time only. This is only available to Charter Club members, and it is automatically rescinded if the property is sold or they return to Club membership. This Board did not create these governing characteristics. We are only trying to serve the community within these constraints.

VI. HOA OR POA OR WHAT

WCSTA is a permanent membership association, incorporated under the Georgia Property Owners' Association Act (POA). POA is not an entity title but rather another set of code that clearly defines what an association can and cannot do under Georgia law. It has a focus on collection power, covenant restriction enforcement and perpetuity. It is a voluntary law that we opted into at our point of association incorporation.

VII. MEMBERSHIP NUMBERS

Club: 312
Civic: 42
Non-permanent: 59
Total: 419

These numbers have improved just this year with some non-permanent members joining Club and some home sales.

VIII. DELINQUENCY

Yes, our delinquency rates are up. The delayed payment date earlier this year and our transition to Tolley Community Management have slowed the collections process. We are working with Tolley to reduce those numbers. We currently have 20 properties that are not in good standing. However, this impacts operational flexibility (cash flow), not reserve funding as those funds will be eventually collected.

IX. VOTING RIGHTS

Our legal counsel knows our governing covenants very well as they crafted them in 2002. As much as I wanted to provide a simple Yes/No ballot, we had to abide by their legal counsel to ensure the outcome wouldn't be contested for violating our covenants. Nowack Howard crafted the ballot (who else would make it so confusing?)

The primary point of this confusing ballot is this: All Club Members are Civic Members and therefore MUST have the right to vote on both Club and Civic issues, including dues. Civic members MAY NOT vote on Club issues. So, there is one simple ballot for Civic and a more confusing ballot for Club because Club members are effectively members of both groups. Again, this is not something we came up with but rather it is a legal requirement.

X. OPTIONS EXPLORED BY THE BOARD

After receiving the study in June 2024, it was apparent that we were not saving enough for the future. But how much is enough?? After careful review and investigation, including feedback from Reserve Advisors, a standard target of 25% of collected dues is normally set aside for future unexpected and planned capital costs. We decided to use that as a guideline for our funding plan.

Reserve Advisors offered a recommendation for five consecutive years of increases beyond 5% in order to minimize the increase in each year. Our legal team confirmed that we must have a separate vote for each increase of over 5%. We would not be permitted (by our covenants) to ask for one vote this year that included four more stair step increases in excess of 5% in 2027, 2028, 2029 and 2030. That means we would have to successfully navigate this current voting process **to gain 2/3 majority for 5 consecutive years**. The total increase for the reserve fund per member in 2030 would be **\$253.80 per member/year**, \$75 per year more than the current Board plan. The Board did not see this as an ideal option.

Special Assessments were also discussed. Our thought was to project when reserve funding would be depleted and call for a special assessment to support the upcoming anticipated costs. This would eliminate the need for this vote and postpone the funding discussion until the “can hits the end of the road.” Then we would re-enter this current discussion and possibly pass a stop-gap funding proposal if we could attract 9 people to serve on the Board to push it through. We saw that approach as having too many “ifs” repeatedly to be a viable alternative. Potential Board members volunteering for an organization that is, by design, under severe financial constraints is not something that many people would be willing to do.

Pool Closures There was acknowledgement that we could permanently close Creekside, fill it, and turn it into another amenity (or explore selling the property), but we agreed our mission at this time is to maintain them while minimizing the burden on our membership. The cost of this option is significant, and the Board did not see this as a practical option for long-term property value appreciation, along with the challenge of funding a repurposing of any amenity. Closing one or both pools and covering them would not save as much money as one might think, as the Cobb and Cherokee health departments would require that we continue to circulate chlorinated water regardless of use to avoid creating a health hazard with mosquito infestation, algae, etc. We could, however, convert one or both to total Swim at Your Own Risk (aka maintenance pools) and save the costs of Lifeguards. However, liability issues would have to be explored thoroughly before doing this, and the savings would not be enough to replace the reserve funding needed each year. So, more operating budget reduction would have to be found, and while we see cost savings possibilities, we don't believe there is enough cost savings to meet the Reserve threshold. The Board agreed this was not an ideal option.

Equal Assessment Increase - Initially, many on the Board agreed with some of the arguments being shared that this vote is about overall amenities and not just the pools and tennis courts, and therefore, everyone should share equally in the cost (except of course those who are not members). So, our earlier communications presented the solution in that way: everyone would have to shoulder the \$180 a year increase. This turned out to be inconsistent with our covenants. Legal counsel directed us to break out the reserve study costs by common area and pool/tennis amenities and use those numbers to calculate the reserve increase. That was done to calculate the Civic increase of \$75/year, but we decided to leave the Club rate unchanged from our original communicated plan to minimize confusion, even though we were effectively reducing the total amount collected each year.

Conclusion - In the end, the plan presented was what we felt was the best short-, medium- and long-term plan for the Association. Using the Reserve Advisors method, we hoped that \$15 more per month, along with providing a monthly payment option, would be a manageable financial burden for most. We knew there would be potential pitfalls along the way but again, we didn't want to push it down the road or develop a special assessment plan that might create even more difficult financial burdens on members in the future.

XI. OPERATING BUDGET

We post our budget and monthly PL on the website at Tolley so that only members can have access. This is only prudent not to put it on other sites that are open to the public. We switched to Tolley at the beginning of 2025 and are still getting familiar with them, with what they offer and how we can best leverage their offerings to improve our performance.

This Board has been in place about three months, and we have bid out the Pool and Grounds contracts for next year; we are in the process of modifying our pool phone solution as required by code to something significantly less expensive, and are looking at other line-item costs to identify possible savings. The previous Board switched management companies from CMA to Tolley and reduced our management fees by 30%. That vendor change consumed a significant amount of volunteer hours over the last year.

The initial feedback from pool management bids is that costs will likely increase by as much as 15% over 2025 contract pricing (3 of 4 providers were in that range).

It's very easy to say that something looks high – another to invest the time and attention to make a change and navigate the issues that inevitably arise from changing vendors or trying other solutions. But both last year's Board and this year's Board have been doing just that.

XII. HOW CAN WE ENSURE THAT MONEY WILL BE PROPERLY RESERVED AND PROPERLY USED BY FUTURE BOARDS?

There are two ways to improve the likelihood that future Boards will follow your wishes to reserve 25% of each year's income to the reserve fund.

One, amend our covenants to require the Board to follow this standard and reserve 25% of income each year. But there still needs to be a method of enforcement.

Second, members need to take responsibility to be engaged with the Board – read the meeting minutes, look at the financials – the budget (plan) and the actuals, and hold the Board accountable. This is truly the best enforcement mechanism.

In addition, no one on the Board has access to funds. All expenditures are controlled by a third party, Tolley Community Management. They require proof of approved expenditures prior to payment.

The Boards are made up of volunteers, but ultimately, they represent you, the members. If you see, they are not abiding by the Reserve Fund plan, you must demand an explanation. While the outflows may not match the reserve study, the inflows are easily confirmed on the Balance Sheet which lists actual to budget. If the budget calls for \$50,000 to be invested in the Reserve Fund, it will be reflected in the financial report showing actual funds moved to that fund and the budgeted amount. This “audit” should be done by membership, regardless of any covenant changes.

There are also understandable concerns that when there are large sums of money in our reserve account, a Board may choose to use it in whatever way they wish, which may not be what the Membership wants or what the savings are intended for. This is an extremely important issue that needs to be addressed. We will **investigate options for controls on Board use of Reserve funds.**

XIII. TRANSPARENCY

The Board continues to use our primary voice, the willowcreekliving.org website to share information and communications. Over the years, the Facebook Forum has replaced the website for the most part, and we have leaned on the Forum for some communications that should have been posted on the website. As a result, fewer people go to the website FIRST for information. The problem with this is that not all our members are on Facebook. Since we represent a larger population of members, we must share key information with all members equally and at the same time. The demands from some members on Facebook to immediately respond or face dogpiling – accusations that we are stalling, manipulating figures, or being dishonest because we are not responding quickly to your demands is disrespectful of the Board and other members of the community. Remember, there are others who no longer live in Willow Creek but are in the FB community who read these posts and draw their own conclusions about Willow Creek, its viability, and its desirability. The posts are permanent.

We do our best to provide accurate timely information on our website, but nothing is perfect, and we are called to backtrack and correct errors from time to time. That doesn't mean we're nefarious, just humans. And a Board is a group of 9 or 10 trying to speak as a single voice, even when some members are unavailable, so responses can take time.

At our last Board meeting I instructed our secretary to post the meeting minutes within days and mark them unapproved rather than waiting another month to approve the minutes and post them for your viewing. That does mean that they may change slightly during the approval process, but I felt it more important to provide immediate information on Board activities than to delay the information to be certain it was transcribed 100% accurately.

If there are other ideas to provide even more transparency, we welcome them.

XIV. BOARD ASSISTANCE

We will be engaging in significant repairs (primarily at Creekside) over the Fall and Winter. We need additional help in managing the estimating process and ultimately the contractors and construction process. We will likely do similar significant repairs at Overlook at the end of the 2026 or 2027 season. Oversight in this process is critical. The more eyes and ideas we have, the better. If you have professional skills in project management, construction, or financial analysis, please consider assisting the Board in service to this community effort.

XV. TOWN HALL MEETING PLAN

At our August 18 meeting the Board will discuss a plan for additional Town Halls that will be designed as question/answer and idea sharing. Those subject-driven gatherings will be identified and posted here, on this blog.

Note: These are not official membership meetings. They will be tightly subject focused to ensure that we address topics on the table for that evening so we can be productive, and the guests and Board members can be adequately prepared and provide you with the information you are most interested in. All Town Halls are currently scheduled for Wednesday evenings at 6:30 PM for one hour. Log-in and call-in numbers will be posted on our website on the day of the event. We will prioritize questions sent in advance and answer follow-up and other questions as time permits.

This is our current Town Hall Schedule:

Wednesday, August 20 is specifically related to **the Reserve Study** as the foundational document that we are attempting to address.

Wednesday August 27 We will focus on **funding options**; First the Board proposal, then we will open the floor for other ideas and recommendations.

September 3 - We will focus on the **current operational budget**, an explanation and questions on it from the membership.

September 10 - We will focus on **membership and Association structure** as well as governing documents.

We will be happy to facilitate more Town Halls if needed. These Town Halls will be virtual to allow as many as possible to attend. We also plan to record them.

Town Hall Questions. We encourage you to send in your questions in advance to secretary@willowcreekliving.org. We will be sure to answer those questions. If time permits, we will welcome additional questions. But there will be time constraints of one hour, as we are trying to be respectful of everyone's busy schedule. We will post the questions and answers on this website after the meetings.

In conclusion, you have the ballot in hand, and we provided answers to some questions here and will provide more through the Town Halls. There are 20 days after the last planned Town Hall to carefully review the information provided, educate yourself on these topics, ask more questions of the Board, and make an informed decision by September 30. Thank you for reading this and for your continued support and feedback to the WCSTA Board.

Respectfully,
Roger Heil
Volunteer Board President
Willow Creek Swim and Tennis Association