

River Club of Martin County

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November 19, 2018

Budget Meeting Notice

On **Saturday, December 8, 2018 at 9 a.m.**, your Board of Directors will hold a Budget Meeting at the Club House to decide how 2019 will be funded.

Process correction: There will NOT be a vote between two budgets; we're going with \$440 per unit per month. Please see accompanied Proposed Budget for details.

What is changing per unit per month in the 2019 budget vs 2018?

A) Operations

- 1) General Insurance - General Liability rate hiked \$5.
- 2) Buildings & Equipment - Concrete Restoration added \$14.
- 3) Services - Pest Control gets Termite from Reserves, no net increase.
- 4) Payroll - Community Management and Grounds Maintenance up \$5.

B) Reserves

- 1) Shingle Roofs - "Catch-up" funding to account for unfunded costs associated with new building codes pertaining to Air Conditioner stands. Up \$29.
- 2) Painting - Skipping funding for 2019 as it's now "overfunded". Down \$13.
- 3) Flat Roofs - Restarting annual funding due to offset replacement scheduling and to account for premature failure of remaining flat roofs this last year. Up \$2.

So what about the meeting?

- A) Your input is important. All unit owners should plan to attend.
- B) If you have a serious concern, please send your comments in writing to the Board of Directors so that we may review them *PRIOR* to December 7, 2018.
- C) At the meeting, with input from the owners in attendance and discussion of line items by the Board, your Directors will approve a budget for 2019.
- D) The final approved budget may differ from the Proposed Budget as a result of the various line item discussions and yet to be determined 2018 expenses.

Note about Reserves: By Florida Statute 718, certain maintenance items along with any non-annually recurring expense items exceeding \$10,000 must have a reserve fund established. These items must be fully funded based on the projected cost of repair or replacement of each item and the expected life remaining. Each year we determine to the best of our ability the actual replacement cost of each statutory reserve item and its expected remaining life. Based on this information, a calculation is made to determine the annual contribution to each fund.

Per FS CR 718 and our governing documents, it is the fiduciary responsibility of your Board of Directors to maintain the condominium property on your behalf.

Your Board of Directors

Tony King - Phil Bollman - Tom Edwards - Karen Vertesch - Chip Bellows