

RIVER CLUB OF MARTIN COUNTY, INC.
3/20/24 MEETING MINUTES

The meeting was called to order at 10 a.m. followed by the Pledge of Allegiance.

Calling of the Roll: Eric Vermilye, President; Phil Bollman, Vice President; Tony King, Director; Chris Brennan, Director; Karen Vertesch, Secretary; Thomas Edwards, Treasurer/Officer.

Proof of Notice of Meeting: Karen Vertesch stated the Notice was posted on March 17, 2024 followed by an email distribution.

Reading/Disposal of the Meeting Minutes of 3/14/2023: Phil Bollman made a motion to accept the minutes as written; seconded by Chris Brennan. All in favor, motion carried.

Officer Reports:

Treasurer's Report: Thomas Edwards reported the reports were not ready at this time.

QXC Report: Due to a death in the family, Jon Korda won't be able to give a full report until after Easter.

Old Business:

- a) Third Nail & Inspections: Tony King reported of the reports submitted, six units failed the 3rd nail inspections and 4 units that had not been done. The company has agreed to fix these units.

Eric thanked Tony for his hard work and negotiation to resolve this issue. He also asked everyone to get their wind mitigation inspection completed for a savings on the owner's insurance and a discount for the Association's insurance if 5 units per building order & submit a copy of their wind mitigation inspection through Premier Inspections to the Office for their file.

Discussion followed regarding units qualifying for Hurricane Protection; suggestions for posting updates of completion, privacy issues and how to amend the Architectural Requirements.

Response: Phil Bollman stated only the number of units in each

building that completed their wind mitigation inspection could be posted. Please check with your insurance agent or stop in the Office to check your file for any paperwork submitted.

Toney King commented information had been sent out previously regarding the requirements for hurricane protection and will be sent out again as a reminder. He also stated per 718 statute an amendment to the documents would require a meeting of 20% of the community to submit their recommendations in writing to the Board.

New Business:

- a) **Purchase of a Certificate of Deposit:** Tony King made a motion to purchase a Certificate of Deposit in the amount of \$220,000 for 4 1/2 to 5% interest for 6 or 7 months; seconded by Karen Vertesch.

Discussion: Thomas Edwards stated a lot of cash will be needed for restoration and repairs and would like to keep the money liquid. It was then suggested to purchase several CDs in case funds were needed and still receive interest on reserve funds not used.

Tony King restated his motion to purchase four (4) Certificates of Deposit in the amount of \$55,000 each totaling \$220,000 for the Association for 6-7 months at 4 1/2 to 5% interest; seconded by Chris Brennan. All in favor; motion carried.

- b) **Engineer Reviews:** Eric Vermilye reported issues that are dealt with on a day to day basis and complexity of leaks and different challenges plus paperwork that lends to the necessity of a management company.

The Warner Creek project has started, the protection work is up and it will be supervised. Our concerns are modifications that were made to the common area which resulted in a three foot hole. There will be no planting, mowing or cutting behind Bldgs. 1 or 14. The Board is working with 707 Landscaping & their team on adjusting their cutting schedule and routine.

Maintenance: Spalling and waterproofing are two main issues. There is water penetration & delaminations on several buildings; Bldgs. 2,3 & 4 have been prepped on both ends. We're speeding up waterproofing and the painting process which defers spalling issues. We have two teams: 1) Engineer, Kimley-Horn, will do Sounding Tests on the buildings to identify the areas that need

to be addressed; i.e. buildings 5 & 7 have challenges.

2) Roof Engineering Inspection: There have been several leaks in Bldgs. 6 & 15 that have caused mold due to a flashing problem and A/C units weren't done correctly. Professionals will look at the situation, address it and then a procedure will be set up with our Reserves and Budget without having to raise the HOA or any other assessment. The expense incurred would get charged to the proceeds if we win the lawsuit; if we don't win the suit, we do not pay.

- c) Management Company: Chris Brennan stated after the initial review of the three proposals, the Board met with one company that provided the best values and most flexibility of our staff structure and employees. He explained the offsets to the budget. I.e. accountant, bookkeeper, & Office staff which would be absorbed by the management company to offset the total number of the contract.

This company has depth with access to their experience, staff backup, access to information & experience through their other companies, immediate access to reports, managing online meetings and leverage with their corporate experience regarding legal issues or documents for guidance, help with vendor contractor negotiations and most of all, continuity and consistency with a standardized process of record keeping and compliance. If projects get complex, they can provide professional project managers to provide the technical expertise for a price. As the Board changes, the Management Company does not change.

Discussion: Questions followed regarding LCAM and office staff hours, the need for additional LCAM hours and the monthly fee to the Management Company.

Responses: The LCAM would be available on/off site 10 hours a week with negotiation for additional hours if needed. There will be staff in the office, trained and supported on the software with our same hours. The back office staff would provide all the financial information to the Treasurer which is also included in the monthly costs.

Tony King commented there is \$40,000 that was budgeted for

this expenditure of \$80,000. An additional \$40,000 will be needed which amounts to an additional \$17.00 per unit per month. Is a full time LCAM was hired, additional office staff, bookkeeper and an accountant would be needed which would be an approximate cost of \$100,000.

Watson Associates Management Company is local and an established firm that has handled Condos both large and small. The transition process will take approximately 90 days. There will be roll-out meetings with the Community to go over the process and answer questions. This Company is working for the Board who has final approval; nothing has changed. Total hours for the Board is approximately 20 hours a week with a few more during contract, budget/repair negotiations which would free up a lot of their time, but still be involved. Hopefully, this change will encourage more people to volunteer for the Board.

Chris Brennan made a motion for the Board to pursue the contract negotiations with Watson Property Management Company; seconded by Eric Vermilye.

Discussion followed: Questions regarding a plan for fines, the amounts, Board approval and collection, legal representation, and posting of the Contract as a draft on the website.

Response: Tony King stated there is a Fine Table, but not a Fine Committee to be made up of residents other than the Board. The Fine Committee would decide if the fine stands after the proper paperwork done by the Management Company who would enforce it.

Phil Bollman commented that the 718 Statute specifies that a letter has to be sent & then a follow up letter If not corrected. A fine can be made; but you have to have a Fine Committee that approves or disapproves of the fine.

River Club does have and will retain their own Legal counsel.

Call for vote: All in favor; motion carried.

- d) Citizens Lawsuit: Elrc Vermilye stated the documents have been submitted for negotiation. It was a lot of work, but everything is looking positive.

Sue Lantzsch, President of Club on the River, reminded everyone of the free BBQ on April 12th at 6 p.m. for all residents and renters.

#7-103 Keith Palant requested that the resignation submitted by the Landscape Committee be read at the meeting.

There was an interruption to the meeting, due to a family medical issue by Phil Bollman who had to excuse himself from the meeting.

John Gill read the attached Committee's letter of resignation that had been accepted by Eric Vermilye, President.

Karen Vertesch made a motion to adjourn; seconded by Tony King. Approved by: Eric Vermilye, Chris Brennan, Tony King, Karen Vertesch; motion carried.

The meeting adjourned at 12:05 p.m.

Respectfully submitted,

Karen Veresch, Association Secretary

