RIVER CLUB OF MARTIN COUNTY, INC.
AUGUST 18. 2021 BOARD MEETING

The meeting was called to order at 6:30 p.m. followed by the Pledge of Allegiance.

Calling of the Roll: John Mears, President; Nancy Keough, Vice President; Thomas Edwards, Treasurer; Kelly Schulz, Director; and Lorretta Gill, Director at Large on Zoom.

Proof of Notice of Meeting: Karen Vertesch, Secretary, stated the Notice was posted on August 4, 2021 followed by an email distribution, with a reminder email distribution on August 16, 2021.

Reading/Disposal of the Minutes of 7/14/2021: Thomas Edwards made a motion to accept the minutes as written with a correction brought up at the meeting; seconded by Kelly Schulz. All in favor, motion carried.

Officer Reports:
Thomas Edwards, Treasurer, reported as of July 31,2021 Cash and Other Assets at approximately $782,000 of which $672,000 is in Reserve Accounts, and assessments paid in advance of $40,000. The loss is just under $10,000. We have spent $43.000 on Concrete Restoration, which was budgeted for $50,000; and we have spent $8,200 on Legal fees, $1,200 over the $7,000 budgeted.

The Budget is in the planning stage for next year to work with the Budget Committee and a chairperson to volunteer.

Kelly Schulz made a motion to accept the Treasurer's report as given, seconded by Nancy Keough. All in favor, motion carried.

Thomas Edwards also asked residents to stop putting plastic bags in the recycle bins. but empty them and then throw them in the garbage. He also stated that "rafts", rectangular floats to lie on, were not allowed in the pool; noodles, circular floats, and toys were allowed.

Loretta Gill, Director at Large, stated that John Gill's report indicated that 707 Landscape is having a hard time getting help and there may be an increase for next year's budget. He should have a figure by the end of August, but advised to plan for a little bit of an increase.

John Mears responded that 707 Landscape will be getting the palm trees in shape and the coconuts & berries off within the next 3 to 4 weeks. Although the University of Florida stated not to cut the palm trees because it would injure them, this is not true ! He also talked to the sprinkler representative about suggestions for the irrigation system and will get back to the committee regarding the email.

Kelly Schulz, Director, stated she and John Mears met with Roger Baber who is working on the drawings; requested the drawings be submitted to the Board to understand that everything is covered,i.e., what kind of seawall to be installed, where the pilings will go, etc. prior to distribution to the Community. If everything goes as planned with the bids, the project will begin in the Spring of 2022.

John Mears responded that Roger would have the drawings for the September meeting and requested proposals by contractors in order to get the contract signed by November. The pipes will be scoped on Tuesday, August 24th to make sure there is no Issue with the water lines.

#7-102 Keith Palant requested a notice go out to the residents that the project going on behind Bldg. 15 is on Beacon 21 property; not ours.

#1-102 Phil Bollman stated his name was brought up in the previous meeting with Ken Kusen in reference to the 2015 Engineer Inspection for Bldg. 1, which is in error; but he actually initiated in 2010 to get the bank repaired. John Mears stated it would be corrected.

John Mears, President, reported on:

1) **Mrs. Swanson, Bldg 1-106, has not been getting any leaks in her unit since the East wall was sealed and the roof repaired.**
2) **Palm trees to be trimmed in approximately 3 weeks.**
3) **Code Red Roofers will be in Friday or next week to do warranty work.**
4) **Flood Insurance Quotes - Gateway submitted a quote of $63,000 that was reasonable, but Carroll Insurance submitted a quote of $53,000 which was $20,000 less than last year by finding another carrier. The Federal Insurance program is going to change this coming year. The agents are not able to price it out until September.**

   Discussion: Loretta Gill stated to stay with Keith Carroll Insurance, Nancy Keough and Kelly Schulz agreed as opposed to going with an alternative program that had been presented by Gateway.

   Thomas Edwards made a motion to authorize John Mears to accept the Keith Carroll Insurance proposal and sign off on it; seconded by Nancy Keough. All in favor, motion carried.

Old Business:

1) **Parking Rule - Section 8. Rule 11 : The motion for this rule was missed in error and needs to be submitted. Thomas Edwads stated this motion was to register every car in place for reference. The negative involved is registering the cars and maintaining a database which is a lot of work.**

   No motion was made.
2) **Financing Bldg. 1 Stabilization/ Warner Creek Shoreline Maintenance: At the end of this year, the Warner Creek Embankment Reserve will have a balance of $56,000 and an additional $60,000 at the end of 2022. If the project cost is $200.000, there will be a shortage of approximately $90,000. As a maintenance project, an**

assessment is not justified as it would be for a capital improvement. With a credit line, it would give us flexibility; and for a $2,000 fee, a $200,000 credit line would be secured by our monthly assessments per the CenterState Bank loan officer.

Thomas Edwards stated an alternative method would be a “deferred expense”. It would be set as negative in the Reserve Account with a set schedule to be paid off as part of the monthly assessment over time; i.e. $240,000 would cost $11 per month over a 10 year period. Per our CPA, it can go into a negative amount as long as it’s recorded on our records and reported to the IRS.

A special assessment is used if in trouble at the end of the year and you run out of money. This is a long term benefit that the current residents shouldn’t have to pay for the whole freight, if it is going to be a benefit for 20 years from now.

At the end of the year, we have to have enough Cash to cover the Reserves; that’s where a line of credit would come in handy.

Discussion:

Kelly Schulz’s concerns are the Bids, the interest rate on a bank loan over time, the increase in the HOA fees and if an actual emergency comes up and that money is needed in that reserve fund for repair.

Nancy Keough stated that an assessment of $478.72 per unit owner to make up the difference needed of $90,000 (of $200,000); or $40 per month per unit owner

Loretta Gill also wanted to wait to see what the bids would be and then proceed.

#7-102 Keith Palant suggested raising the monthly assessment per unit by $40 to finance the $90,000 difference as opposed to a bank loan.

#1-102 Phil Bollman, past Board member, stated if you take a Reserve account into the negative, you have to borrow the money to bring it back to a positive amount which would be repaying the loan. Thomas Edwards responded that by the end of the year, there would not be a deficit; if money is needed a loan can be obtained.

John Mears stated there will be further discussion once a firm number is received.

New Business:

1) Submitted Emails:
   a) Joe Novello - was concerned about the Zoom production and made some suggestions for improvement.
   b) Ken Kusen - was concerned about the parking lots that need sealing; and the Palm trees that need to be trimmed. Arrangements have been made for the trees and sealing of the parking lots will be scheduled.
   c) Chip Bellows - also commented on the parking lots; and the Cable TV contract which would save money. John Mears is still working with QXC. They have just changed their TV line up, switched to another TV provider, and will not be in until September or October. We found that our time frame with AT&T will not expire until another year & a half. We are not

moving anytime soon, but will wait to see the new product before making a decision.

d) **Susan Greer - stated she was against Special Assessments.**

#7-102 Keith Palant - had a question regarding the Proxy sent out for the ability to vote on the rule changes in the Documents. He also had a question regarding Board members and the Secretary's position for voting authorization.

John Mears responded that Karen Vertesch, Secretary, is an Officer of the Board; as Tom Edwards is Treasurer & a Board member. You can have Officers without being a Board member.

If you leave the Proxy blank, the Board becomes your proxy on the vote for the rules. This has been done through the direction of our property management company and our lawyers. This is not like voting for officers with a secret ballot.

Currently, there are a total of 82 ballots with 81 positive votes. Please get your vote in by the meeting of Sept 15th.

Thomas Edwards reiterated that the documents lay out there are 5 Board of Directors. Another section lays out about Executive officers that states that the President and the Vice President must be on the Board; the other officers do not have to be on the Board.

Thomas Edwards made a motion to adjourn; seconded by Nancy Keough.

The meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Karen Vertesch, Secretary