

RIVER STRAND GOLF AND COUNTRY CLUB, INC. MEETING OF THE BOARD OF DIRECTORS

November 6, 2017

A REGULAR meeting of the Board of Directors was held on Monday November 6, 2017 at the main dining room of the River Strand Club located at 7155 Grand Estuary Trail, Bradenton, FL 34212.

A quorum of the Board of Directors was present with Mr. Michael Fisher, Mr. Terry Lyons, Mr. Bob Walsh, Mr. Charles Galsser, Ms. Anita Tierney Mr. Eddie Hicks, and Mr. Scott Hancock. Also present were Shaun Fitzer, LCAM, and Pat Cattnach General Manager, and Wes Miller, President Icon Management.

The President, Terry Lyons, called the meeting to order. Proper meeting notice was posted throughout the property in accordance with the Florida statutes and the governing documents of River Strand Golf and Country Club.

There were 85 owners present at the meeting who had signed in at the door and 10 owners who filled out request to comment to the board forms.

On matters relating to previous meeting minutes:

Upon a motion made by Bob Walsh, seconded by Mike Fisher,

It was voted in motion #17-205: to approve the minutes of the September 26th, 2017 meeting of the board of directors as presented, motion carried unopposed. **Motion passed.**

Upon a motion made by Bob Walsh, seconded by Scott Hancock,

It was voted in motion #17-206: to approve the minutes of the October 4th with continuation on October 10th and October 11th budget workshop meetings of the board of directors, motion carried unopposed. **Motion passed.**

Upon a motion made by Bob Walsh, seconded by Terry Lyons,

It was voted in motion #17-207: to approve the minutes from the October 16, 2017 town hall meeting as amended to correct grammatical and item relating to question and answer to a member, motion carried unopposed. **Motion passed.**

On matters relating to IT proposal from ICON management:

A presentation was made by Wes Miller about software solutions for the club.

On matters relating to member comments:

Donna Simonds – walking golfers policy

Nancy Lyons – culture and tenor of the community

Peter McCartney – walking golfers policy

Peter Sant – walking golfers policy

Rod Conner – walking golfer policy

Samara Paice – Transfer fees

Pat Braeger – 2018 proposed golf fees

Wendy Wilson – walking golfers policy

Lori Bailey – requirements for golf leagues

Bill Lee – walking golfers policy

Jane Lowery – parking lot speeding

On matters relating to the community managers' report:

The manager submitted his weekly reports for the period of October 9 – November 3.

Upon a motion made by Anita Tierney, seconded by Scott Hancock,

It was voted in motion #17-208: to approve the contract with preferred material for the striping of the center line for Grand Estuary Trail and Heritage Preserve run from the operating budget in the amount of \$6600, motion carried unopposed. **Motion passed.**

Upon a motion made by Anita Tierney, seconded by Eddie Hicks,

It was voted in motion #17-209: to approve a contract in the amount not to exceed \$14,000 with funding to come from the special projects account to address drainage issues at the Sanctuary pickleball courts, motion carried unopposed. **Motion passed.**

2017 Mulch application will be completed this week for the single family homes at a cost of \$125,847.50.

Upon a motion made by Scott Hancock, seconded by Eddie Hicks,

It was voted in motion #17-210: to approve a project to replace the dead palm tree at the main pool area at a cost not to exceed \$2900, motion carried unopposed. **Motion passed.**

On matters relating to the treasurers report:

Upon a motion made by Scott Hancock, seconded by Anita Tierney,

It was voted in motion #17-211: to ratify and amend prior action of the board of directors to transfer \$400,000 from the prior year surplus and \$100,000 from the current year surplus to a new golf course replacement reserve, motion carried unopposed. **Motion passed.**

On matters relating to the amendment of the governing documents:

Upon a motion made by Scott Hancock, seconded by Bob Walsh,

It was voted in motion #17-212: to send out the process as outlined by the association attorney to amend the governing documents regarding the election of the board of directors for a vote of the membership at a future members meeting, motion carried unopposed. **Motion passed.**

Upon a motion made by Scott Hancock, seconded by Eddie Hicks,

It was voted in motion 17-213: to change the association Articles of Incorporation to match the vote required of the other governing documents to be amended which is 2/3 of the members present in person or by proxy at a members meeting at which a quorum has been obtained, motion carried unopposed. **Motion passed.**

Upon a motion made by Terry Lyons, seconded by Scott Hancock,

motion #17-214: to send out the proposed changes to the association documents as presented by the associations attorney for a vote of the membership at a future members meeting.

Upon a motion made by Charles Glasser, seconded by Anita Tierney,

It was voted in motion 17-215: to table motion #17-214 for further consideration and discussion of the changes as proposed by the association attorney prior to them being sent out to the members, motion failed with Bob Walsh, Terry Lyons, Mike Fisher, Eddie Hicks, and Scott Hancock opposed, and Charles Glasser, and Anita Tierney in favor. **Motion failed.**

It was voted in Motion #17-214: : to send out the proposed changes to the association documents as presented by the associations attorney for a vote of the membership at a future members meeting, motion carried with Anita Tierney, Bob Walsh, and Charles Glasser opposed, and Terry Lyons, Scott Hancock, Eddie Hicks, and Mike Fisher in Favor. **Motion passed.**

On matters relating to adding agenda items for board meetings:

Upon a motion made by Charles Glasser, seconded by Terry Lyons,

It was voted in motion 17-216: to approve the following policy for having items on the board of directors' agenda:

New Agenda Items:

Board members sends the president or vice president of River Strand the new agenda item for the meeting at least one week prior to the scheduled board meeting along with supporting documentation:

Members identifies who is requesting the new item for the agenda:

Member

Committee for which the member is a liaison

Resident

Agenda Items that the board has already voted on:

Member sends the president or vice president the item that was approved at a previous board meeting that he or she wants the board to revisit. The item will be placed on the agenda for a vote at the next board meeting to determine if the board is willing to reconsider the item and, if approved by the majority of the members, the item will be revised by the board. If not approved by the majority of the board members, the item will not be revisited.

Member sends the president or vice president the item that was disapproved at a previous board meeting that he or she wants the board to revisit. The item will be placed on the agenda for a vote at the next board meeting to determine if the board is willing to

reconsider the item and, if approved by the majority of the members, the item will be revisited by the board. If not approved by the majority of the board members, the item will not be revisited.

Motion carried unopposed, **motion passed.**

On matters relating to the community association landscape contract

Upon a motion made by Eddie Hicks, seconded by Mike Fisher,

It was voted in motion # 17-217: to accept the recommendation of the property management committee and approve a contract with Truscapes for the landscape maintenance of the single-family homes, the common areas, and the adjacent golf course areas for a term of 3 years with a fixed price after an increase in 2018, motion carried unopposed. **Motion passed.**

On matters relating to a GPS system for the golf course carts:

Upon a motion made by Charles Glasser, seconded by Anita Tierney,

It was voted in motion #17-218: to approve the purchase of a GPS system for the associations golf carts at a cost not to exceed \$65,000; cost to be offset by an increase in the cart fees of 9 holes of 50 cents and for 18 hole 1 dollar, motion carried unanimously. **Motion passed.**

On matters related to an IT consultant:

Upon a motion made by Scott Hancock, seconded by Eddie Hicks,

It was voted in motion #17-219: to hire Bill Boothe, IT consultant to review the current IT systems at a cost not to exceed \$4800.

Upon a motion by Eddie Hicks, seconded By Anita Tierney,

It was voted in motion #17-220: to table motion 17-219 to allow Scott Hancock, and Anita Tierney to speak with Bill Boothe regarding the specifics of the proposal, motion carried unanimously. **Motion passed.**

On matters relating to the bank accounts of the golf leagues:

Upon a motion by Scott Hancock, seconded by Terry Lyons,

It was voted in motion #17-221: to table action on this item and to contact the golf league chairs with regards to how their banking arrangements need to be handled in the future, motion carried unopposed. **Motion passed.**

On matters relating to resale transfer and capital contributions:

Upon a motion by Charles Glasser, seconded by Anita Tierney,

It was voted in motion #17-222: to increase the resale capital contribution paid to River Strand to \$1750 from \$1500 effective January 1, 2018.

Upon a motion by Eddie Hicks, seconded by Mike Fisher,

It was voted in motion #17-223: to table motion 17-222 to further research into what other communities charge, motion carried with Anita Tierney, and Charles Glasser opposed, and Mike Fisher, Eddie Hicks, Terry Lyons, Bob Walsh, and Scott Hancock in favor. **Motion passed.**

Upon a motion by Charles Glasser, seconded by Anita Tierney,

It was voted in motion #17-224: to increase the resale transfer fee by \$140 from the net fee of \$200 currently being charged.

Upon a motion by Bob Walsh, seconded by Terry Lyons,

It was voted in motion #17-225: to table motion #17-224 for more information to be gathered, motion carried with Anita Tierney and Charles Glasser opposed, and Mike Fisher, Eddie Hicks, Terry Lyons, Bob Walsh, and Scott Hancock in favor. **Motion passed.**

On matters relating to charging walking golfers:

Upon a motion made by Charles Glasser, seconded by Anita Tierney,

It was voted in motion #17-226: to approve a fee of \$4 for walking golf players (who do not use carts to play a round), motion failed with Anita Tierney, Bob Walsh, Terry Lyons, Mike Fisher, Eddie Hicks, and Scott Hancock opposed, and Charles Glasser in favor. **Motion failed.**

On matters relating to increasing transfer member golf fees:

Upon a motion made by Bob Walsh, seconded by Anita Tierney,

It was voted in motion #17-227: to ask the association attorney to create language for consideration to amend the governing documents to allow for higher golf fees to be charged to transfer members. Motion failed with Terry Lyons, Scott Hancock, Eddie Hicks, and Mike Fisher opposed, and Bob Walsh, Charles Glasser, and Anita Tierney in favor. **Motion failed.**

On matters relating to public play during the season:

Upon a motion made by Anita Tierney, seconded by Charles Glasser,

It was voted in motion #17-228: to table consideration of these fees for further input of the golf activities committee, motion carried unopposed. **Motion passed.**

Upon a motion made by Scott Hancock, seconded by Anita Tierney,

It was voted in motion #17-229: to allow social members of River Strand to book tee times two days in advance and to play golf at the member guest rate until the end of 2017, motion carried unopposed. **Motion passed.**

At this point Eddie Hicks left the meeting.

On matters relating to installing fans in the Sanctuary fitness facility:

Upon a motion made by Terry Lyons, seconded by Mike Fisher,

It was voted in motion #17-230: to table consideration of the purchase of 2 ceiling fans for further bids, motion carried unopposed. **Motion passed.**

On matters relating to the Safety committee:

Upon a motion by Bob Walsh, seconded by Terry Lyons,

It was voted in motion #17-231: to approve the recommendation of the Safety committee to change the entry lane at Heritage Preserve Run and program the gate system to only allow one side of the gate and the barrier arm to open when a resident access control device is used at the gate. The gate would still open on both sides for emergency vehicles. Price not to exceed \$1000 with funds to come from the special projects budget. **Motion passed.**

Upon a motion made by Terry Lyons, seconded by Mike Fisher,

It was voted in motion #17-232: to approve the recommendation of the Safety committee to install barrier arms on the inside of the exit gate at Heritage Preserve Run in the amount not to exceed \$10,000 with the funds to come from the special projects budget, motion carried unopposed. **Motion passed.**

On matters relating to the Golf activities committee:

Upon a motion made by Charles Glasser, seconded by Anita Tierney,

It was voted in motion #17-233: to add Mattie Watson, Linda Lemon-Stiener, and Diane Schollenberger to the golf activities committee, motion carried unopposed. **Motion passed.**

On matters relating to the 2018 special projects list:

Upon a motion made by Terry Lyons, seconded by Bob Walsh,

It was voted in motion #17-234: to include in the minutes the following list of projects which were used to compute the special projects budgets for administration and golf for 2018:

Nonrecurring Minimum	Nonrecurring Maximum	Golf Projects	Per Living Unit 2018 Quarterly Assessment Assuming No-Financing over time
\$18,000	\$18,000	Course - Estuary 9 Bunker Reshape with test Billy Bunker *	\$3.46
\$30,000	\$30,000	Course - Fairway Bunker Trib 8 Repair*	\$5.77
\$30,000	\$30,000	Course Storm Shelters (3) *	\$5.77
\$12,000	\$12,000	Golf Pro Shop Remodel *	\$2.31
\$25,000	\$25,000	Golf Starter Shed *	\$4.81
\$65,000	\$65,000	Golf GPS **	\$12.51
\$180,000	\$180,000	Total Golf Projects with Visage included	\$34.64
\$125,000	\$125,000	Total Golf Projects assuming \$55K of Visage recovered from increased cart fees	\$22.13
Note: Latest draft golf special projects budget is \$124,877 - Acct 77090-3.			

Min	Max	Social Projects	Per Living Unit 2018 Quarterly Assessment Assuming No-Financing over time
\$5,000	\$5,000	Bill Boothe Consulting - Tierney	\$2.67
\$55,000	\$65,000	Club Management System	\$7.35 to \$8.69
\$4,000	\$4,000	Dining Room Window Treatments	\$2.14
\$5,000	\$5,000	Fitness Center Gate (Main Clubhouse) with card reader	\$2.67
\$7,500	\$7,500	Golf Cart Parking - Handicap Decals (Estimate)	\$4.01
\$23,100	\$33,600	IT Hardware	\$3.09 to \$4.49
\$9,000	\$9,000	Main Clubhouse Pool - Ice/Water Machine	\$4.81
\$6,150	\$6,150	Pickleball bottom rail fencing	\$3.29
\$12,000	\$12,000	Sanctuary Pickleball Drainage Enhancement	\$6.42
\$1,000	\$1,000	Sound-proof window between Bar & Card Room	\$0.53
\$6,500	\$6,500	Tennis - New Maintenance Shed	\$3.48
\$5,000	\$5,000	Tennis Ball Machine	\$2.67
\$130,000	\$160,000	Tiki Bar Expansion	\$17.38 to \$21.39
\$269,250	\$319,750	Total Social Projects with Tiki Renovation Included	\$36 to \$42.75
\$139,250	\$189,750	Total Social Projects without Tiki Renovation Included	\$18.62 to 25.37

Motion carried unopposed. **Motion passed.**

On matters relating to the annual meeting of the members and future meetings:

A tentative date was scheduled for the members meeting to take place on February 26th subject to availability of the meeting space at the Bayside Church.

The next meeting of the board of directors will be November 14th at 6PM at the Bayside Church

The December meeting of the board of directors will be on December 4th at 6PM in the club dining room.

There being no further business the meeting was properly adjourned at 4:10 PM.

Respectfully Submitted,

Shaun Fitzer, LCAM on Behalf of the Board of Directors

_____, Secretary of the River Strand Board of Directors

Treasurer's Report Nov 6 2017

Financial Review for September 2017 (summary attached)

- September 2017 Monthly Financials: Profit of \$19K vs. Budgeted Loss of \$26K
- September 2017 YTD Financials: Profit of \$705K vs. Budgeted Profit of \$198K
- Quarterly Revenue and Profit Trend Report: 3rd Quarter 2017 Revenues up \$630K vs. 2016 and Profits up \$146K vs. 2016

Budget for 2018

- Proposed 2018 Budgeted was completed and mailed to all homeowners
 - Social Operating dues will remain unchanged at 363.25 per quarter
 - Golf Operating dues decreased from 336.75 per quarter to \$288.00 per quarter
- A Membership and Board Meeting will be held Nov 14 to review and approve the budget

Reserve Accounts

- Delta Engineering completed the Reserve Study relative to maintaining/replacing the common amenities of the HOA (includes clubhouses, pools, tennis courts, fitness centers, golf course, etc)
- The Board established new reserve accounts for Golf and Social to ensure all of our amenities are properly maintained. The builder was not required to establish reserve for most of our amenities.
- We will continue to fund the Builder established reserve that covers roads and the clubhouse roof and painting.
- All homeowners have been provided with a summary of the reserve accounts and annual cost for each reserve account.
 - Golf Members: Total Reserve Dues: \$93.75 per quarter
 - Social Members: Total Reserve Dues: \$35.00 per quarter
- The new Golf reserve has been initially funded with profits generated by Golf.
 - \$400,000, of the \$578,000 Retained Earnings as of 12/31/2016, has been transferred to the Golf Reserve
 - \$100,000, of the \$295,000 in projected 2017 Golf Profits, has been transferred to the Golf Reserve

Bank Accounts and Investment Strategy

- Total Cash plus Investments as of 10/31/2017 equals \$2.374M
- Bank Accounts:
 - BBT Operating Account Balance \$1.348M
 - BB&T Builder Reserve Account Balance \$.030M
 - Fidelity Operating Account Balance (earning 1.25%) \$.249M
- Investments
 - BB&T Operating Account 1 Month CD .249M
 - BB&T Builder Reserve Account 1 Month CD \$.249M
- \$500K will be transferred from BB&T Operating Account to a new Golf/Social Reserve Account. Once the funds have been transferred the money will be invested.
- Need to maintain enough in our bank account to cover average monthly expenditures of \$900K

- Each investment has been limited to \$249,000 to ensure 100% FDIC coverage
- The Finance Committee will be reviewing bank balances and cash projections twice monthly to help manage investments

Turnover Audit January 1 – Feb 28, 2017

- Received Turnover Audit in October
- Total Earnings \$256K of which Builder took back \$78K (Social Earnings)
- Golf earnings \$166K, Applied to Builder Reserve account \$12K

Audit for March 1 – Dec 31, 2017

- Our new auditor's (RSM) were onsite in October to begin their work on the 2017 audit for the period March 1 – December 31, 2017

Transition (Defect) Study

- Delta Engineering completed the Transition (Defect) Study which identifies construction defects in our common areas/amenities or issues that have resulted from improper maintenance.
- The Board, Committees and Homeowners have identified additional items that will be included with the Transition Study.
- The consolidated Transition Study will be presented to Lennar for their review and response. It is expected that Lennar will repair/resolve most all of the identified issues.
- Issues that are not resolved to the satisfaction of HOA will be reviewed with the Board, the HOA Attorney's and Engineering Company. The estimated cost for resolving these remaining items will be prepared by Delta and presented to the builder.

September 2017 Monthly Financials					September 2017 Year to Date Financials									
River Strand Financials	Revenue	Revenue	Rev Bud.	Variance	Revenues	Revenues	Revenues	Variance						
	Month of	Month of	Month of	17 Act vs.	Jan-Sept	Jan-Sept	Jan-Sept	2017 Act vs.						
	9/30/16	9/30/17	9/30/17	17 Budget	2016 Act	2017 Act	2017 Bud	2017 Bud						
Administration	226	252	226	26	1,980	2,357	2,071	287						+87 resale cap; +89 Lennar; \$+47 transf/gate
Tennis	10	8	8	(0)	101	88	82	6						+6 merchadise Rev
Golf- Pro Shop	8	5	8	(2)	162	144	166	(22)						lower sales all products
Golf- course	206	198	213	(15)	2,489	2,450	2,512	(62)						-105 cart; -17 non member; +70 guest/Lennar
Food and Bev	85	85	75	10	1,204	1,346	1,215	132						+74 food min; +56 food/conc/cart
	534	549	530	19	5,936	6,385	6,045	340						
Cable	65	72	71	0	552	646	632	14						
SFH landscape	68	77	82	(5)	585	674	713	(39)						
	667	698	684	14	7,072	7,705	7,391	314						
					Net	Net	Net							
	Net Inc.	Net Inc.	Net Inc Bud	Variance	Income	Income	Income	Variance						
	Month of	Month of	Month of	17 Act vs.	Jan-Sept	Jan-Sept	Jan-Sept	2017 Act vs.						
	9/30/16	9/30/17	9/30/17	17 Budget	2016 Act	2017 Act	2017 Bud	2017 Bud						
Administration	36	56	(3)	60	310	467	(75)	541						+287 revenue, lower proj cost and expenses
Tennis	(6)	(6)	(8)	3	(72)	(66)	(75)	8						+6 merchadise rev
Golf	(8)	24	12	12	475	552	356	197						-62 lower rev; -173 chem. fertilizer, mulch
Food and Bev	(32)	(49)	(36)	(13)	(148)	(213)	(92)	(122)						+132 rev offset by +\$108 COGS; +85 payroll
	(10)	26	(36)	62	566	739	115	624						
Cable	1	0	-	0	14	16	-	16						
SFH landscape	7	(7)	9	(16)	40	(50)	83	(133)						
	(1)	19	(26)	45	620	705	198	507						

				River Strand Quarterly Revenue and Profits					
		2015	Net		2016	Net		2017	Net
	Revenue	Net	%	Revenue	Net	%	Revenue	Net	%
Jan	800,042	78,394	9.8%	867,524	78,418	9.0%	945,369	164,631	17.4%
Feb	804,187	104,209	13.0%	911,238	146,838	16.1%	990,912	164,135	16.6%
Mar	895,541	139,296	15.6%	974,348	152,803	15.7%	1,183,880	313,059	26.4%
1st Q	2,499,770	321,899	12.9%	2,753,110	378,059	13.7%	3,120,161	641,825	20.6%
Apr	799,365	116,001	14.5%	869,913	157,646	18.1%	936,333	120,816	12.9%
May	659,665	(11,963)	-1.8%	750,738	20,568	2.7%	776,886	5,322	0.7%
June	619,803	(6,175)	-1.0%	671,282	(35,465)	-5.3%	722,664	(44,133)	-6.1%
2nd Q	2,078,833	97,863	4.7%	2,291,933	142,749	6.2%	2,435,883	82,005	3.4%
6 months	4,578,603	419,762	9.2%	5,045,043	520,808	10.3%	5,556,044	723,830	13.0%
July	589,749	(73,060)	-12.4%	704,039	10,240	1.5%	733,860	(16,661)	-2.3%
Aug	584,503	(21,127)	-3.6%	656,404	872	0.1%	717,661	(49,109)	-6.8%
Sept	603,771	(12,609)	-2.1%	666,864	(855)	-0.1%	697,663	18,931	2.7%
3rd Q	1,778,023	(106,796)	-6.0%	2,027,307	10,257	0.5%	2,149,184	(46,839)	-2.2%
9 months	6,356,626	312,966	4.9%	7,072,350	531,065	7.5%	7,705,228	677,663	8.8%
Oct	721,215	(19,618)	-2.7%	775,527	46,120	5.9%			
Nov	799,033	36,001	4.5%	874,886	(43,373)	-5.0%			
Dec	738,661	(169,605)	-23.0%	886,622	(85,188)	-9.6%			