

2011 RIVER STRAND BUDGET MEETING MINUTES

November 22nd, 2011, 4:00 pm

Tony Burdett from Lennar introduced himself as the President of the Board of Directors. He will be on the Board until 90% of the homes at River Strand are sold, as required by the Florida Statute.

He introduced everybody from the River Strand staff that was present at the meeting – Wes Miller, Alex McGonigal, Corey Pion, Nicole Resner, as well as Steve Gill and Dennis Colletti from HH Management.

Tony Burdett made a few announcements:

- The proposed Marina – Lennar has a permit that will expire in 2013, it has been extended before, and they will have to re-apply for a new permit. Lennar are reviewing the cost of a marina and it is not affordable right now, so they are looking into other options for development.
- The commercial space up front – Lennar owns one parcel on SR 64, other companies who co-own do not want to commit to developing. The zoning will not expire and it will always be commercial property.
- The Board of County Commissioners Meetings signs – the property along the river – the Terraces condominiums, Lennar had 20 of those building planned for the community. They needed some re-zoning to do a different product type – condos instead of houses. They are making smaller buildings and they lost some density, which is why the zoning changed. But it won't affect golf.
- The main guard gate at River Strand will be moved after the season. Lennar doesn't have the permit yet.

Tony Burdett did a review of the proposed 2012 Budget:

- The membership dues will remain the same amount.
- Most of our costs will remain flat.
- Cart fees will go up \$1, possibly another increase the following year. That is because we had to replace the batteries on the golf carts this year, and also golf cart prices go up as well.

Tony Burdett opened the floor for questions:

- Q: There is a surplus in the golf profits, but the cart fee is going up? Also, tee times on Sundays will be tough to get unless you are a part of a group....
- A: Golf income helps, but outside revenue will be reduced since we will have less and less outside play. Eventually, our cart fees could go down. Golf surplus will help offset other expenses and additional cost we will have. (Dennis Colletti added that the surplus is going down.)
- Q: Are the public green fees going up too?
- A: Yes, they will be at least \$99 dollars in the season.
- Q: Sunday tee times are hard to get...?
- A: (by Corey Pion, Head Golf Pro) – Members have priority. We have all 3 nines open now. Members can make tee times 10 days in advance.
- Q: During the off-season, can outside play for less than what members pay...?
- A: (by Wes Miller, General Manager) – Short answer is no. We partner with GOLFNOW.com. They get the 1:32pm tee time that they auction on their website. There were a couple of cases last summer where that was auctioned for less than \$20. In the future we will establish a ceiling for how much price can drop.
- Q: What is the club policy on employees playing golf?

- A: Employees can only play on space available basis. In the season, they can only play after 2 pm or if invited by member before 2pm and they must pay. Most clubs give some privileges to employees.
- Q: Court fees for tennis line on the budget – is it a typo that it went from \$2,000 to \$22,000?
- A: We will look into that, but tennis play has picked up too.
- Q: CDD (Community Development District) – I have been looking into that and it is not doing anything?
- A: Bonds were raised and sold to raise money to finance an infrastructure, water, sewer, etc. CDDs are governed by the Florida Statute. There are 4 CDDs inside Heritage Harbour. Once a CDD is formed, we are responsible for paying it. We have done plenty of research beforehand, to make sure we are paying as little as possible, our rates are probably the lowest in Florida.
- Q: Do you re-finance the bonds?
- A: There is a 7-8 year threshold before we can re-finance without a penalty. Ours were issued 2006 or 2007, so we have a few more years to go before we can re-finance.
- A: Maintenance of common grounds – what’s next?
- Q: It is based on our anticipation of how many homes will be sold next year. It will always be the same rate per home. We are also adding some more common areas. Grand estuary Trail will continue to River Hammock at the left of the Clubhouse.
- Q: What about the Marina?
- A: Our building permit will expire in 2 years, and we bid the job – it is not feasible at this time to build. We are looking at other options to develop the site.
- Q: The losses reported on the budget – how are they handled?
- A: The Club needs support and the developer covers the loss. As the community grows, the developer will support less, there will be more golf revenue to cover what the club owes the developer. Hopefully, one day it will be zero due when the Club is turned over from the developer to the homeowners.
- Q: How many years before that happens?
- A: In about 5-7 years.
- Q: What are class A and class B members?
- A: Social only and Golf only members. Everyone will be a social member, but one day, only certain number of members will be both golf & social. We break it down into separate lines in the budget for tax purposes.
- Q: Expenses – tennis, fitness, pool, etc., what is that?
- A: There is additional staff planned to those departments. Pool service will be added to take orders from people around the pool, instead of them having to walk over to the Tiki Bar.
- Q: Do we have a Fitness Director?
- A: Fitness Instructors are independent contractors for now. One day, maybe we will have a staff member to be a Fitness Director if we need it.
- Q: Monthly billing, house accounts, etc. – when will it be available?
- A: We will do that, but not next year. We will need additional staff for monthly billing, house charges, and for monitoring it.
- Q: What is included in a membership?
- A: Membership is 1 family per household, not per person.
- Q: We have 52 outside golf members and 71 tennis members?

- A: They enjoy the experience and some of them buy a home at River Strand eventually, this is one of the reasons we have outside members.
- Q: How will we be able to get tee times one day?
- A: In one of our golf communities in Naples, with 1250 homes, we have the Chelsea System – one member played 21 times in a month, for example.
- Q: How does the Chelsea System work?
- A: It works on as a ranking system that ranks players based on their frequency of play. It ensures that members are getting an equal amount of play.
- Q: How is it going to be implemented? Are we going to know in advance what tee times we will get?
- A: The Board can adjust the settings to make sure is it fair to everyone.
Wes Miller added that 62% of the members play golf more than 10 times a year.
- Q: Would you consider building another 9 holes?
- A: No, it will cost about 10 million dollars.

New Business:

We are adding another pool, another fitness center, and looking into adding a pickle ball court.

- Q: Estate Homes on the River Enclave – what is going on with that?
- A: This project is still on hold. We have to figure out what to do with the Marina first.
- Q: Why are the construction trucks going through River Crane Street – there is no construction there?
- A: If you see a truck there, report it to the staff, so we can contact the contactor.
- Q: Why are there resident and non-resident lanes at the front gate, when non-resident members get gate access cards?
- A: Eventually, they won't have access, because we won't have non-resident members.
- Q: Can we fish in the community lake in the park?
- A: Yes. The "No Fishing" sign is for non-residents only.

5:43 pm: End of meeting.