

RIVER FOREST PROPERTY OWNER'S ASSOCIATION
BOARD OF DIRECTORS

November 29, 2006

CLUBHOUSE BUDGET MEETING MINUTES

ATTENDING

Albert Miller
Cheryl Giannunzio
Herb Floris
Robert Pierce

C.F. Lucky Shawver, President, Advantage Property
Management

Lori Knight, Regional Property Manager, Lennar

1. CALL TO ORDER

A Meeting of the River Forest Property Owner's Association (RFPOA) Board of Directors was called to order by Al Miller at 6:00pm. A quorum was established with 4 directors present.

2. NEW BUSINESS

a. 2007 Clubhouse Budget

Motion by Giannunzio and seconded by Floris to discuss the 2007 proposed clubhouse budget:

i. Open to Residents for
Comment

- Request was received to allow residents to vote on budget.
- Have reserve amounts been met?
- What is the cause of the \$36,385.50 difference between the approved 2006 budget and the proposed 2007 budget?
- What is the status of the financial audit for River Forest?
- Can an outside auditor review the 2007 budget?

ii. Board Discussion

Motion by Pierce and seconded by Miller to approve the 2007 Proposed Budget, revised 11/28/06.

- The 2007 Proposed Budget, revised 11/28/06 (see Attachment 1) was distributed to residents present at the meeting.
- The request for residents to vote on the budget could not be accomplished without a quorum of at least 103 residents (approximately 40 residents were present), and 14 days notice to all residents of a meeting where residents will vote.

- All reserve amounts on the 2006 clubhouse budget have been met.
- Since the \$98.50 quarterly assessment was only collected for the 2nd, 3rd, and 4th quarters of 2006, for the proposed 2007 budget, budget items were adjusted for a bottom line \$36,385.50 less than the approved 2006 budget. This was done to verify that enough resources were available while collecting \$98.50 for only 3 quarters.
- Expenses for 2006 were under budget. This occurred because clubhouse monitors were not hired (\$31,000 less) and actual clubhouse expenses were less than expected.
- The financial audit is not complete, and is pending a meeting with the auditors and the attorney.
- Residents have clearly requested additional review of the 2007 clubhouse budget, yet do not want to continue with a \$98.50 assessment in January 2007.

Amendment by Pierce and seconded by Floris to form a budget committee to review the 2007 clubhouse budget and recommend changes.

Motion Approved as Ammended

3. ADJOURNMENT

Motion by Miller and Seconded by Giannunzio to adjourn the clubhouse budget meeting at 7:20pm

Respectfully Submitted,

Robert Pierce
Secretary,
River Forest Property Owners Association

RIVER FOREST PROPERTY OWNER'S ASSOCIATION
BOARD OF DIRECTORS

November 29, 2006

POA BUDGET MEETING MINUTES

ATTENDING

Albert Miller
Cheryl Giannunzio
Herb Floris
Robert Pierce

C.F. Lucky Shawver, President, Advantage Property
Management

4. CALL TO ORDER

A Meeting of the River Forest Property Owner's Association (RFPOA) Board of Directors was called to order by Al Miller at 7:31pm. A quorum was established with 4 directors present.

5. NEW BUSINESS

a. 2007 POA Budget

Motion by Giannunzio and seconded by Floris to discuss the 2007 proposed POA budget:

i. Open to Residents for
Comment

- The 2007 budget should include a line item to cover the difference between the per quarter, per homeowner budget of \$288.92, and the rounded per quarter assessment of \$289. This would result in an additional \$98.24 line item.
- Can an outside auditor review the 2007 budget?
- Why is cable and security so expensive?

ii. Board Discussion

Motion by Pierce and seconded by Giannunzio to approve the 2007 Proposed POA Budget.

- Cable and security is expensive due to a contract signed by the builder, Sunland, (prior to turn over) to force residents to buy cable & security from River Services at a significant mark up from what the POA could obtain negotiating directly with Comcast and Devcon.
- Residents have clearly requested additional review of the 2007 POA budget, yet do not want to continue with a \$295 assessment in January 2007.

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- The additional \$98.24 line item is appropriate. However, rather than delay approval of the 2007 budget at \$289 per quarter, allow the budget committee to add this item in an amended 2007 budget.

Amendment by Pierce and seconded by Floris to submit the 2007 POA budget to the newly formed Budget committee in addition to the clubhouse budget.

Motion Approved as Ammended

6. ADJOURNMENT

Motion by Miller and Seconded by Giannunzio to adjourn the clubhouse budget meeting at 8:50pm.

Respectfully Submitted,

Robert Pierce
Secretary,
River Forest Property Owners Association

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Attachment 1: Proposed 2007 Clubhouse Budget, Revised 11/28/06

| revised: 11/28/06 | | Approved 2006 | | 2006 | | Proposed 2007 | Per Unity |
|-------------------------------------|---------------------------------------|----------------------|--|---------------------|--|----------------------|------------------|
| | | Budget | | Estimated | | Budget | Annually |
| | | (317 Homes) | | Expenses | | (395 Homes) | |
| Revenue | | | | | | | |
| Maintenance Fees | | \$ 124,741.00 | | | | \$ 101,142.00 | \$ 256.06 |
| Marina Reimbursements | | \$ 1,671.00 | | | | \$ - | \$ - |
| | Total Revenue | \$ 126,412.00 | | | | \$ 101,142.00 | \$ 256.06 |
| Administration | | | | | | | |
| Management & Accounting Fees | | \$ 12,000.00 | | \$ - | | \$ - | \$ - |
| Management | | \$ - | | \$ - | | \$ 14,220.00 | \$ 36.00 |
| Club Monitors | | \$ 31,000.00 | | \$ - | | \$ - | \$ - |
| Legal | | \$ 500.00 | | \$ - | | \$ 1,580.00 | \$ 4.00 |
| Property Taxes | | \$ 6,200.00 | | \$ 6,200.00 | | \$ - | \$ - |
| Insurance | | \$ 11,500.00 | | \$ 8,450.00 | | \$ 10,000.00 | \$ 25.32 |
| Clubhouse Supplies | | \$ 500.00 | | \$ 25.00 | | \$ 2,500.00 | \$ 6.33 |
| | Total Administration | \$ 61,700.00 | | \$ 14,675.00 | | \$ 28,300.00 | \$ 71.65 |
| Utilities | | | | | | | |
| Electric-Building | | \$ 12,000.00 | | \$ 8,550.00 | | \$ 11,500.00 | \$ 29.11 |
| Telephone Pool & Clubhouse | | \$ 1,200.00 | | \$ 1,985.00 | | \$ 2,000.00 | \$ 5.06 |
| Trash Removal | | \$ - | | \$ 918.00 | | \$ 930.00 | \$ 2.35 |
| Water/Sewer | | \$ 720.00 | | \$ 2,640.00 | | \$ 3,000.00 | \$ 7.59 |
| Cable(one line) | | \$ 552.00 | | \$ - | | \$ - | \$ - |
| | Total Utilities | \$ 14,472.00 | | \$ 14,093.00 | | \$ 17,430.00 | \$ 44.13 |
| Building & Equipment | | | | | | | |
| Repairs & Maintenance | | \$ 3,500.00 | | \$ 6,506.00 | | \$ 7,500.00 | \$ 18.99 |
| Lighting | | \$ 500.00 | | \$ - | | \$ 500.00 | \$ 1.27 |
| Fire Alarm/Extinguishers | | \$ 3,800.00 | | \$ 848.00 | | \$ - | \$ - |
| Fire Alarm | | \$ - | | \$ - | | \$ 900.00 | \$ 2.28 |
| Fitness Equipment | | \$ 500.00 | | \$ - | | \$ 2,000.00 | \$ 5.06 |
| Janitorial & Supplies | | \$ 10,000.00 | | \$ 4,986.00 | | \$ 5,000.00 | \$ 12.66 |
| Entry System Maintenance | | \$ 500.00 | | \$ 2,043.00 | | \$ 2,000.00 | \$ 5.06 |
| | Total Building & Equipment | \$ 18,800.00 | | \$ 14,383.00 | | \$ 17,900.00 | \$ 45.32 |
| Grounds | | | | | | | |
| Landscaping | | \$ 13,500.00 | | \$ 11,180.00 | | \$ 16,000.00 | \$ 40.51 |
| Landscape Replacement | | \$ 1,500.00 | | \$ - | | \$ 1,000.00 | \$ 2.53 |
| Landscape Mulch | | \$ 800.00 | | \$ - | | \$ 800.00 | \$ 2.03 |
| Fertilizaer/Pest Control | | \$ 800.00 | | \$ 1,034.00 | | \$ 1,000.00 | \$ 2.53 |
| Tree Trimming | | \$ 500.00 | | \$ - | | \$ - | \$ - |
| Irrigation Maintenance | | \$ 1,500.00 | | \$ 3,835.00 | | \$ 2,000.00 | \$ 5.06 |
| | Total Grounds | \$ 18,600.00 | | \$ 16,049.00 | | \$ 20,800.00 | \$ 52.66 |
| Pool | | | | | | | |
| Pool Service | | \$ 5,040.00 | | \$ 6,176.00 | | \$ 6,912.00 | \$ 17.50 |
| Pool Repairs | | \$ 500.00 | | \$ - | | \$ 2,000.00 | \$ 5.06 |
| Pool Furniture | | \$ 500.00 | | \$ - | | \$ 1,000.00 | \$ 2.53 |
| | Total Pool | \$ 6,040.00 | | \$ 6,176.00 | | \$ 9,912.00 | \$ 25.09 |
| Miscellaneous/Contingency | | \$ 2,500.00 | | \$ - | | \$ 2,500.00 | \$ 6.33 |
| Total Operating Expenses | | \$ 122,112.00 | | \$ 65,376.00 | | \$ 96,842.00 | \$ 245.17 |
| Reserves | | | | | | | |
| Pool | | \$ 1,300.00 | | \$ 1,300.00 | | \$ 1,300.00 | \$ 3.29 |
| Clubhouse Roof | | \$ 1,000.00 | | \$ 1,000.00 | | \$ 1,000.00 | \$ 2.53 |
| Clubhouse Painting | | \$ 1,000.00 | | \$ 1,000.00 | | \$ 1,000.00 | \$ 2.53 |
| Pavement | | \$ 1,000.00 | | \$ 1,000.00 | | \$ 1,000.00 | \$ 2.53 |
| | Total Reserves | \$ 4,300.00 | | \$ 4,300.00 | | \$ 4,300.00 | \$ 10.89 |
| Total Operating and Reserves | | \$ 126,412.00 | | \$ 69,676.00 | | \$ 101,142.00 | \$ 256.06 |
| | | | | | | | |
| | | 2006 | | | | 2007 | |
| | Maintenance Fees-Annual | \$ 393.50 | | | | \$ 256.06 | |
| | Maintenance Fees-Quarterly | \$ 98.38 | | | | \$ 64.01 | |
| | Rounded | \$ 98.50 | | | | | |