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**Newsletter**  
**July 2020**

## **Message From The President:**

In recent weeks I have come under attack by owners spreading rumors and false statements to persuade unit owners to sign a petition to “recall” (i.e. fire) me as President. On June 11, 2020 the Association received a recall petition signed by about 10% of the owners. A day later two angry owners promoting this petition stated to me in the Association’s office that as result their petition under Florida Statute 720 I was terminated. Then, they demanded that after the recall meeting I immediately turn over all records to the Association or they would call the police and have me arrested. They also demanded the Association call a member meeting within 5 days all “as required by Statute 720”. They sent this petition signed by about 50 out of 340 owners to the wrong Association Attorney for which the Association incurred legal fees and addition legal fees were incurred when we forwarded it our proper Association Attorney to evaluate the petition.

The basic questions each owner has to ask themselves before signing any petition in the future are (1) do you really want to empower anyone promoting a petition that can’t even understand plain language of the Rules/Statutes stating what is required to fire a Board member and (2) do persons promoting the removal of Board members have a hidden personal grudge against the Association as a result of Board action unfavorable to them personally, like a fine?

I asked one of these 2 owners why he was so angry at the Association. His first response to this question was that the Board refused to approve a different door with glass panes for his unit even though other different doors were approved for other owners including the door to my units. In my opinion what his response points out is that he is primarily seeking to retaliate against me for refusing to approve his door. Are such personal grudges really any basis for asking you to sign a petition to fire a Board member.

If you decide to sign any petition, wouldn’t you want to first know the qualifications of the owner who will replace me? Unlike virtually every other Association President, I am retired, a licensed Community Association Manger (CAM,) and an inactive CPA and clearly more than qualified to be the Association President. How do these credentials stack up against anyone that will replace me? I have lived here for 25 years and been involved with our Association and several other HOA and Condo Associations in various capacities since then. When I became President in 2015, our community was on the verge of becoming section 8 low income housing with an excessive amount of rentals some of which were handled by slum lords. In looking around at the current Board’s numerous improvements (while keeping dues relatively stable), we believe, as a Board, we have accomplished more in the last 5 years than has been done since the Community was built. I am frequently asked why I live here versus on the Ocean and even bother to volunteer my time. My response is that I have lived here for 25 years, like the quality of life here and offer my skills to improve the community, as sort of a way to challenge myself and occupy my time in a productive manner.

If anyone has such issues with the either Board’s performance or mine, why did no one offer to run for the Board in the last election? In fact only 27 owners out of 340 owners even attended our last annual meeting, which is the smallest turn out possibly in the history of the Association. This seems indicate that vast majority of owners are satisfied with the Board’s performance. Yet only 4 months after this annual meeting some owners launch a campaign to have me removed? Does that make sense?

I know many of us are stressed and concerned about the Corona Virus, being sequestered, the economy and possibly just want to lash out at something. However, when someone approaches you to sign a petition claiming issues that may or may be true, often it's easy to just sign the petition and get them simply to go away. I strongly suggest that you fact check what you are being told with our office staff before accepting anyone's claims. Based on talking to various residents regarding claims being made to get them to sign a recall petition, my response is as follows:

**1. I take care of myself first, push through the Board whatever I want, and ignore the rest of Riverwalk's needs.** If that is true, when the Board had the power & could act to build a Club House as the Board wanted without any member input, why did I propose and agree to be bound by a membership vote on this major decision? In spite of the full Board's support for constructing the clubhouse, the membership subsequently voted down the clubhouse in a narrow 110 to 104 vote.

In this year's Painting Project my building was not painted first. It was the 7<sup>th</sup> out of 14 buildings that were painted. My carport was one of the last carports to be painted and repaired for damaged support beams. During the tree removal project the trees in front of my building were removed during the middle of the tree removal project and not at the start of the project. I wanted to put a bay window on my back porch but the Board rejected my request.

Based on my track record it is clear I do put Riverwalk's needs first.

**2. Why is the Association's Credit Card in the President's Name and he has misused the card for personal benefit.** As President, I have the authority to use any Association credit card whether it's in my name or not. When I became President 5 years ago, I noticed the Association was not getting any cash back on our existing credit card. At that time the Capitol One Spark Business Credit Card was offering a 2% cash back credit, which was about double any other credit card's cash back's benefit. However, to get that credit card someone had to volunteer to be **personally liable for any charges to the card and a credit rating and assets sufficient to cover an additional \$20,000 line of credit for the Association.** So I agreed to personally liable for the charges to this card to get this cash back credit for the Association's benefit. At this point, the credit card is in the Association's name backed by me and the Association has earned \$3,300 cash back that we would have not otherwise earned. All credit card charges are audited by the office staff against supporting invoices and reviewed as part of our annual audit. Since the credit card payment is guaranteed by me am I or the Association entitled to the cash back? In other Associations run by Property Management Companies, I know for a fact some of these companies provide credit cards to the Association and keep any cash back benefits for themselves for the Associations they manage. If I am recalled, which member will volunteer to guarantee this \$20,000 line of credit to the Association or will the membership just lose this benefit plus have a lower line of credit.

**3. I am not dealing with critical roof re-shingling issues properly.** Regarding our re-shingling schedule, the first complaint I received related to this issue was from a former Board member. She was quite upset that waiting 20 years to re-shingling our roofs was too long because she was now having trouble getting Homeowner's Insurance, as a result. What's ironic about this complaint is that this former Board member actually signed and approved, as Secretary to the Association, the Official filing changing our Governing documents in 2010 to increase the **required minimum** roof re-shingling schedule from 15 years to 20 years. Moreover, that change to our Governing Documents permitted the Board to vote to wait even beyond 20 years, if the Board believed the useful life of the shingles could be extended. She is one of the people now signing the petition to recall me presumably using this issue as one means to justify my recall?

Re-roofing is by far the biggest expense of the Association. I am the Vice President of another Condo Association that replaced the roofs on 78 townhouse units in 2018. I was shocked to find that the re-shingling cost actually doubled from what this Condo Association paid 15 years prior. The primary reason costs doubled was because there **was** a building boom, roofers and shingles were in big demand and roofers took advantage of the situation to **demand higher prices.** When I saw what was happening I was concerned that we only put a 10% escalation in our \$1.1 cash requirement

budget for re-shingling Riverwalk's roofs. In 2018, I asked Jim to get current re-shingling quotes and we found roofing cost had in fact doubled to about \$2 million dollars.

At a subsequent board meeting a long debate occurred as to how much dues had to increase to cover our estimate shortfall. Three alternatives were discussed. The first alternative was based on the fact that no roofs had leaked (other than for minor roof cap issue) and needed to be replaced at that time. Also all roofs were last re-shingled with either 30 year or 40 year life shingles, but most roofers questioned any shingle would even last nearly that long in Florida. Under this alternative we planned to only increase dues to \$660 per quarter which would generate the cash necessary to pay for re-shingling after 23 years. The second alternative would increase quarterly dues to \$730 in 2019, but re-shingling would be done on the 20 year cycle. The third option to have a special assessment. At this board meeting both the Board **and members present** at the meeting agreed that we should take the risk that roof shingles would last 23 years and dues should be set at \$660 per quarter. However, if our roofs started to leak at the 20 year+ mark, we would face a much larger dues increase to re-shingle sooner.

As it stands today, we were just informed this month that a couple of units in building 6303 are leaking and a roofing contractor hired by one owner in this building claims the roof needs to be re-shingled now. I asked Jim to place the highest priority to have an Association roofing contractor look at this building to verify the entire roof needs to be re-shingled. If re-shingling is necessary dues will likely go up significantly in 2021 and in the interest of the homeowners of this building priority will be placed to get that building re-shingled.

One thing that may be minimizing the impact on Assessments is that the current economic crisis may actually put the brakes on the building boom and drive down the cost of re-shingling. However, because of the crisis the production of roofing materials may have slowed driving material prices up. In any event we won't know the exact impact until we get current quotes.

**4. At Board meetings I push issues for my personal benefit.** Really? Like most damaged then repaired sidewalks in the community, the sidewalk in front of my building looked terrible with random patched sections of grey & white concrete. I asked the Board to approve allowing me and others to paint the common area sidewalks using a consistent Bombay (beige) color concrete paint. I indicated I would buy the paint myself and hire a painter to paint the sidewalk for the entire building. My proposal was approved with the understanding that the entire sidewalk in front of the building would be painted and other buildings could do the same if the building owners covered the cost and used the same paint. I paid \$250 out of my pocket to paint the entire sidewalk in front of my building. I also got Board approval to install the same front doors other Boards had already previously approved as long as 10 years ago for other unit owners. I also paid out of my pocket \$600 several years ago to paint the top and bottom side of our building's entire carport. About 15 years ago I was given Board approval to install a punching bag at the playground. I paid Gator Welding \$500 out of my pocket to fabricate a solid steel adjustable punching bag rack. Furthermore, several years ago, again with written previous Board approval, I paid about \$2,000 out of my pocket the costs to install carport lighting, electricity and cameras benefiting all unit owners in my building. The cameras and motion activated lights I installed actually caught a clear video of a person breaking into my neighbor's car, which I furnished to the Jupiter Police. I used protective asphalt paint to paint my space in the Boat storage lot at my expense. Finally, about 10 years I paid and installed about \$400 in consistent Fence Top lighting for all owners in my building which was the approved fence replacement light required by the Board at that time. In short I have paid close to **Five Thousand Dollars** out of my pocket to improve this community. How many other unit owners have made even one community improvement at their expense?

At a recent Board meeting within the past few months, I asked the Board to approve an attractive bay window for my back porch, which the Board rejected. So, how is it I pushed though issues for my personal benefit, when I have done so much for the community and my neighbors at my expense?

**5. I wasted \$80,000 in legal fees to sue a resident over a \$2,000 issue** – This is totally false statement made by someone who has never attended recent Board meetings. At virtually every meeting for the past year I personally discussed the status of this case at great length. In this case, we had a resident who hired an attorney and sued the Association over several frivolous issues where the primary issue was that he was kicked out of our Boat Storage yard because his unit was sold. Since the Board has a fiduciary obligation to enforce our governing documents, the Board had no choice but to defend proper actions taken. His lawsuit lasted over 2 years with numerous court hearings, documents produced, etc. where the Association incurred \$80,000 in legal cost to defend itself - not vice-versa, as being claimed. This owner lost on every count of his case, then took the case to the appeals Court where his appeal was also denied. The Association now has an \$80,000 Judgment against this person to recover our attorney's fees. Based on a recent deposition of this owner, it appears he has sufficient assets for the Association to recover our Judgment but this owner is fighting our collection efforts. The \$2,000 we recovered from this person is a **separate unrelated case** involving past due assessments including legal fees and interest from this same owner, which he finally paid.

**6. \$500,000 is missing from the Association's bank accounts** Another absurd, unsubstantiated claim. Does anyone really believe our auditors would have missed the disappearance of \$500,000 or any significant amount of money? If they did, the audit firm would be held liable for an erroneous independent audit report. Our annual total dues revenue is less than \$900,000 and if anyone took any substantial amount of money we couldn't even cover our employee payroll.

**7. Riverwalk Employee salaries are excessive.** According to the Bureau of Labor statistics - see website: <https://www.flcaa.com/post/salary-income-money-licensed-cam-community-association-manager-florida>, the average salary for a CAM Licensed Property Manager in Florida is \$70,257. Because Palm Beach is a higher cost area compared to the rest of Florida this average salary should be even much higher here. Jim's salary is far less than this average. Jim also has a CPO license to manage our pools saving us about \$15,000 a year that previous Board's spent on Pool Service Companies. He also posts our transactions to our books saving us about another \$8,000 over what previous Boards paid for accounting services. Moreover, none of the Riverwalk employees receive any health/retirement benefits, and receive minimal vacation leave. With regard to our maintenance staff you may recall that previous Boards paid Randy far more than Roberto currently earns but Randy was retired and depended on Roberto and another person to do all of the hard labor that Roberto and his son now do alone. With regard to Gail, she is now working part time and accomplishing the same amount of work making the cost to the Association now about 15% less than she was earning several months ago.

To further put our maintenance cost in perspective, at Jupiter Cove, where I own a condo, their comparable employee costs for a Property Manager, Assistant, and 2 maintenance persons is **25% more than Riverwalk's costs**. However, Jupiter Cove is only 1/3 the size of Riverwalk in every respect with only 138 owners (versus 340 at Riverwalk), 1/3 the Property area, only one pool, no lake, etc. Clearly Riverwalk employee salaries are a bargain.

**8. The President did not get a Town of Jupiter permit to replace the fence by the playground.** in 2005 as Riverwalk's Asst. Property Manager, I met with Roger Held, the head of Construction Permits for the Town of Jupiter regarding the need for permits and inconsistent requirements by Town inspector during their inspections. As supported by the written minutes of that meeting and in spite of the fact at that time the Town required fence permits for any repair over \$1,500, Roger agreed that no fence repair/replacement permits or licensed contractors would be required for any Riverwalk residents, but only licensed contractors must do any repairs to unit structures and permits were required for all such work. When Roberto replaced the fence next to the playground with exactly the same fence material in exactly the same location, an owner (for whatever questionable possible reason or grudge), who signed the recall petition, reported to the Town that this fence repair did not have a permit. As a result, we were initially contacted by Joe Brown in the Building department who initially told both Jim & I that "all fence repairs in Jupiter require a permit" and our fence repair was a violation. This now meant **no owner could now repair there fence without a permit even though no such permits were required for the last 15 years**. So, this resident created a totally unnecessary problem by blindly opening "Pandora's box" to make it much more difficult and costly now for any owner to fix their fence. Luckily, since I knew

what we were told by his boss Roger Held in 2005 and still had the minutes in my files from that meeting, I told Joe Brown he was wrong and we did not need any permit for fence repairs/replacement. I then called Roger and explained what had happened. Roger recalled our meeting and giving us an exception because so many of our fences were in disrepair at the time. I then asked him why unit owners, who may not have any experience as how to properly repair a fence, use proper contract support for posts, etc. did not need a permit but the Association who has a competent qualify staff could not repair a fence without a permit. He understood my position and said he would do whatever was necessary to resolve this issue by allowing us to file a special Owner Permit and he would have a dedicated person on his staff to get this permit issue and the other water fountain permit issue resolved (discussed below) without any fines. Within ½ hour after my call, Roger came to Riverwalk to personally see exactly what was going on here.

**9. I did not get a Town of Jupiter Permit for the new Water Fountain or Canopy Structure protecting that water fountain or Board Approval for the fountain.** This fountain was discussed and approved by the Board as part to the Cabana enhancement to the sport court project, but was deferred until the after the Sport Courts were completed. A water fountain being installed in the sport court area was mentioned in April, July, and October 2019 newsletters and the January and April newsletters this year. Again, this issue occurred because the same owner, who reported our fence lacked a permit, filed another permit complaint to the Town about the water fountain. To resolve this permitting issue, we had a general contractor (recommended to us an owner) meet with Jim & I to get the necessary permits at the least cost. Both he and Rodger indicated the canopy structure construction was excellent and the contractor would have bid \$2,500 to just to build that structure, as it exists today, irrespective of any permitting cost. He indicated he would apply for the necessary permit. He would need an architect, plumber and electrician to just to verify the work that was done, and Roberto could do all of the labor work under his direction to satisfy any additional permit requirements. One of the most absurd requirements to get a permit requires a 70 foot trench to connect the water fountain drain to the bathroom drain by the office. What makes this requirement absurd is that very little water is expelled by any drinking fountain and it will take a drain pump to get the water expelled from the fountain to the bathroom drain. Moreover, this drain pipe will pass by the pool #2 outdoor shower installed at least 10 years ago by another Board. This shower has absolutely no drain at all, so I guess that failed to get a permit to? Rodger defended this drain permit requirement because he claimed the drinking water may contain bacteria. I responded if that is true then why isn't anyone concerned about the sprinkler system covering the entire community and spewing non-potable water everywhere? As mentioned, the Town agreed to work closely with us to get the necessary permits for the fountain and fence, as it now exists, without any fines for not having the permits issued in advance. So the only impact of not having a permit is for the Association to pay those costs we would have had to incur any way to get a permit.

**10. I have not called a recent Board meeting to hide what is going on in Riverwalk.** Nothing in our governing documents requires the Board to hold even monthly meeting. The entire Board was in agreement that because of the Corona Virus, it would not be prudent to hold a meeting and no issues pending at the time required us to meet, up until a few days ago. However, the recent recall petition has forced the Board to hold a Special meeting on June 17<sup>th</sup>.

**11. The Association's annual independent Auditors are only being given what the Board & Property Manager want them to see.** The auditors tell us what they want to review and not vice-versa. If they make a material mistake during an audit, they would be liable for the damages. This was a totally absurd claim by an owner that has no concept of how a CPA conducts an independent financial audit. Neither the Property Manager nor any Board Member can influence an auditor or withhold information.

### ***Conclusion:***

After reading this lengthy response to all known claims being raised by a minority of owners, if you believe I have not performed diligently, effectively, openly and honestly as President of the Association and you know of someone more capable of Managing our Association; then sign whatever petitions you are presented to remove me.