

BOARD OF DIRECTORS MEETING

PALMA DEL MAR ASSOCIATION #5

August 9, 2022

Attending – Preuett and Adams and Fisher (RPM) in person at the Reserve Property Management Conference Room; Keefe, Nieto, Schutt, Scoggins, and Sve via Zoom. Brian Keiter from Elevated Engineering and approximately 12 owners attended via Zoom. A quorum was established. President Preuett called the meeting to order at 4:05 p.m. Notice of the meeting was announced by email. A motion was made by Schutt to correct the date of the minutes from the previous meeting to May 4, 2022, was seconded by Keefe, and approved.

The purpose of the meeting was to discuss Palma 5's Condition Survey issued by Elevated Engineering and the Full Reserve Study issued by Reserve Advisors in May 2022 and their potential impacts on association budgets due to recent, pending, and probable legislation by the State of Florida mandating expenditures well into the future.

Keiter said the legislature has yet to announce details or guidelines regarding the creation of laws to order inspections and repairs of condominiums in the wake of the Surfside condominiums collapse in 2021 by its 2024 deadline for implementation and associations' reserves funding. He cautioned that Elevated Engineering's current study may not be sufficient to comply with future regulations, and that the longer we wait to begin necessary repairs there will be fewer contractors available to perform them due to overwhelming demand.

Sve noted that Elevated Engineering's report, used to satisfy American Coastal's renewal of the association's insurance policy, has resulted in the company's request for a timeline for taking action on recommended but non-urgent repairs. Keiter said American Coastal will probably need a more thorough report than the current one but at a minimum will want all concrete spalls fixed and a waterproof membrane installed beneath the tiles on balconies. Preuett responded that since the major renovations undertaken ca. 2008, all balconies have already been waterproofed. Keiter suggested the current Reserve Study be used to satisfy the timeline requested by American Coastal for the present while formulating a more specific plan. Preuett formed a committee comprised of himself, Adams, Sve, Schutt and Fisher, along with owner Terry Hamrick, to outline the plan and meet with Keiter on August 30 at 10 a.m. to discuss it.

Fisher said the Reserve Study will be included in the 2023-24 budget and recommended the association begin increased funding now toward meeting a 100% reserve that is now law. Fisher advised that 100% or partial funding of reserves needs to be decided by a vote of the membership but that in his experience with several other associations managed by RPM partial funding has ultimately led to a series of special assessments. Sve said that if there is no change in the way Palma 5's reserves are currently funded, our members will be subject to a special assessment by 2026. Fisher calculated that if reserves are fully funded in the 2023-24 budget, there will be a 31% hike in maintenance fees, and if insurance premiums are raised 25%, as anticipated, the fee would rise 37.5%.

The motion was made by Sve to adjourn, was seconded by Scoggins, and passed. The meeting adjourned at 5:10 p.m.