**BOARD OF DIRECTORS MEETING**

**PALMA DEL MAR ASSOCIATION #5**

**February 16, 2024**

**Attending –** Adams, Keefe, Miller, Preuett, and Scoggins; Fisher (RPM); and Alex Gould (Reserve Advisors). Approximately 35 owners in person and about 10 via Zoom. A quorum was established, and Preuett called the meeting to order at 2:07 p.m. in the association’s recreation room. Prior notice of the meeting was posted via email and on the premises in compliance with Florida law. Miller made a motion to accept and properly dispose of the minutes from January 18, 2024, that was seconded by Keefe. Motion carried 5-0.

For the first hour of the meeting Gould gave an explanation and overview of the state’s mandatory funding of reserves since the Surfside condominium collapse in Miami in 2021, his suggestions for our association’s approach to funding, and took questions from owners. He explained that reserves will be divided into two general categories, structural and general. Structural reserves are integral for the integrity of the buildings, basically keeping water out of the buildings and protecting the surfaces of the buildings. The recommended contribution to the structural reserves for 2024 is $386,000, an inflationary increase in 2025, and dropping down to $300,000 in 2026. General reserves are for repairs and renovations inside the buildings that are not related to the integrity of the structures. The recommended funding for general reserves is $109,600 in 2024 with inflationary increases in ensuing years. Fisher commented that in the 2025-26 fiscal year structural reserve contributions and maintenance fees will “probably” decrease as the new roof on the tower is phased into the equation with projections for the next new roof “moved 15-20 years further on out.” (Note: When the Reserve Study was completed in November 2023 a roof replacement in 2024 was not in the association’s plans.)

Preuett reported that a flood emanating from an unknown source necessitated water in the tower being temporarily shut off in the predawn hours on February 11. Leaking water was reported in Units #601 and #602, and an emergency call to a plumber was made. Entry into #601 was thwarted because the absentee owner had not left a key as required by the association, and an emergency call to a locksmith to open the door at an approximate cost of $630 was made. It was determined the water was leaking from one of the units higher up in the building and was eventually discovered to be in a flooded Unit #1008 that was also unoccupied with an overflowing toilet. The building suffered water damage from the 10th floor down to the recreation room on the second floor.

**Treasurer’s Report –** Keefe reported that the budget for the 2023-24 fiscal year has been prepared and mailed to owners reflecting a 15.8% increase in operating expenses due primarily to an expected 51% hike in property and liability insurance and a 20% hike in flood insurance. The budget will be voted on at the annual meeting on March 7, 2024.

**Committee Reports**

**Social Committee –** Owner Holbrook announced a farewell party for the snowbirds is being planned, tentatively for March 16, 2024.

**Unfinished Business**

**Roof Repairs –** Preuett reported emergency work to temporarily repair the leaks on the tower roof began on February 15 and a leak had expanded from Stacks 03 and 04 to include 02.

**Building Repairs to Villas –** Wilson-Kehoe-Miller is waiting for permits from the city before work can begin. The project is scheduled to begin during the first week of June 2024.

**Fire Jockey Pump Replacement –** Fisher reported the pump has arrived and is scheduled to be installed on February 19. The work will not require the water to be shut off in the tower.

**Fire Sprinkler Repairs –** Preuett reported the ¾” -inch replacement sprinkler heads are still on back order. An inspection of the tower by the Fire Department discovered four annunciators in the tower corridors are not functioning properly. Preuett said they will be replaced.

**Roof Leak and Environmental Remediation –** Fisher reported that Spanos Environmental performed air quality inspections in Units #1202-03, #1205, #1207, #1102-03, #1002-03, and #903 from February 9-13. Upon receipt of the results, Jenkins Restoration will schedule remediation work where necessary. Any rebuild of affected units, including #1204, will commence once repair work on the roof is completed and no more leaks are discovered. If more leaks appear, rebuilds will be delayed until the entire roof has been replaced.

**Mansard Roof Repairs –** Work on the steel beams that anchor the Mansard roof in place is slated to start immediately after repairs to the roof are completed.

**New Business**

Preuett announced that a Special Board Meeting has been scheduled for March 5, 2024, to approve an assessment to cover a shortfall of $331,317 in our reserves to pay for the replacement of the tower roof and building repairs project at an anticipated total cost of $1,272,077. Because covering the shortfall alone could leave the association with worrisome low reserves that might not be enough to address another emergency project, the board asked for a $450,000 assessment, a difference that would add anywhere from $597 to $794 to unit owners but give the association more of a cushion. The assessment would be due on May 1, 2024. A motion was made by Miller and seconded by Keefe to instruct RPM to mail notice of the Special Board Meeting to owners within the 14-day window prior to the meeting in accordance with our bylaws. Motion passed 5-0.

A motion to adjourn was made by Scoggins and seconded by Miller. Motion passed 5-0.

The meeting was adjourned at 3:52 p.m.