

**PINESTONE AT PALMER RANCH ASSOCIATION, INC.  
MINUTES OF BOARD OF DIRECTORS SPECIAL MEETING  
NOVEMBER 3, 2023**

**Call meeting to order:** The meeting was called to order at 9:00 AM by Dan Pittaro, manager of Pinestone at Palmer Ranch.

**Proper meeting notice:** The meeting was properly noticed in accordance with Pinestone at Palmer Ranch bylaws and Florida Statutes. Notice of the meeting and agenda were sent to the owners 14 days in advance of the meeting in accordance with Florida Statute 718. The agenda was also posted on each of the buildings, and the Zoom invitation went out twice via the one call system.

**Determination of Quorum:** It was determined there was a quorum. In attendance either in person or via Zoom were board members Rick Pluese, Marty Port, Brian Fagan, Frank Renda, Pete Sprague, Rocco Longo and Tony Fischetti.

**New Business:**

- At the October 17<sup>th</sup> board meeting the board unanimously voted to approve a special assessment of \$625 per unit for a one-time charge.
- As Dan explained at the October 17 meeting, in October of 2022 Pinestone incurred an \$80,000 increase in the association insurance policy. The annual premium must be paid in full when due to avoid thousands of dollars in finance charges. At the time, the board voted to pay the premium in full to avoid the unnecessary finance costs. The \$80,000 was funded through a loan from the neighborhood reserve account, which was repaid in approximately three months through the collection of the insurance budget line item otherwise dedicated to paying the following year's premium.
- This year, unfortunately, the premium went up an additional \$130,000 as discussed at length in the October board meeting. By all accounts both the dollar and percentage increase were moderate compared to other communities in the area. Dan said that he and Rick attended a luncheon the previous week and spoke with a board member of a condo community outside of Siesta Key. The person said his community was assessed an increase this year in excess of 100% of the previous year, at a dollar amount of more than \$1 Million Dollars.
- Despite the increase the association was able to retain excellent coverage which protects your investments as well as protecting the amenities, which helps make life in Pinestone so special.

- The purpose of the special assessment is to repay the \$220,000 loan from the reserve account that was needed to pay the October 2023 premium payment. The money collected from the special assessment is going to be used solely to repay the loan, which will put money back into the reserve investment account. The loan needs to be repaid because each and every reserve we have is dedicated for an exclusive reason. There are the building reserves for the roof, painting, the fire sprinkler system, or the electrical system. Then there are the many reserves for the neighborhood needed for the amenities or the public areas.
- Dan said that the meeting is not for debating the insurance expense. He said that was done at great length at the last meeting. There was extensive due diligence done during the review, led by board members Brian Fagan and Pete Sprague, who are both commercial insurance executives. The board was also assisted by a year-round resident owner who was also a commercial insurance executive. Matt Mercier from CBIZ Insurance, who handles our account, will be at the November 21 Budget meeting to address the audience and answer questions. Anyone who reads the papers, follows online news, or does a Google search can attest that the issue is statewide.
- Dan said he will open the floor briefly for questions. There will be a provision in the motion to allow anyone who needs assistance paying the assessment to spread it out over a period of months without incurring any interest or late payment penalties. Anyone who needs help should see Dan to set up a plan.
- One question was asked when and how will we be billed for the assessment. Dan said after the meeting everyone will receive an invoice from Progressive with instructions for the payment.
- Another owner asked what we planned to do to manage the cost in the future. Dan explained that there is nothing in the control of the community that can manage the cost without drastically reducing the coverage, which is necessary, and state mandated.
- A new owner asked where she could find the information that outlines where the money comes in and is spent. Dan said the annual audited financial statements can be found on the pinestone.org website under the owners page. The financials are not open to the public.
- Another commented that the budget for 2023 was \$286,569 and that money was collected. Why isn't the shortfall not just the \$130,00 increase in the current year? Dan explained that \$80,000 of the \$286,000 was used to repay the loan needed to pay last year's premium, which left roughly \$200,000 in the account in October.
- Another question was asked why is everyone paying the same amount? Shouldn't everyone be paying based on their percentage of ownership. Dan explained that as contained in the governing

documents, all 310 units have equal ownership in the community. That is why the neighborhood expenses and reserves are divided equally amongst the 310 units.

- A statement was made by an owner that regardless of neighborhood policy or state policy, you are required to maintain a certain amount of money in reserves. Dan agreed and said in 2024 Pinestone will have two separate reserve studies done. One is the Florida state mandated SIRS study to ensure there is enough money reserved for the structural integrity of the buildings. The second is a two-part reserve study of the neighborhood reserves along with the individual building reserves.
- Another question was asked if there were any special projects planned in the next 12 to 18 months that could be postponed to provide extra money to pay the expenses. Dan reminded the owner that this was a singular agenda meeting but provided an answer anyway. He said both the operating budget and the reserve budgets are dedicated to specific line items. The operating budget, however, is a cumulative budget. If some expenses in the budget are below the amounts budgeted, then there will be additional funds to pay other expenses. The reserve budgets are intended for specific items only.
- The motion approved at the October meeting was for a one-time special assessment of \$625 per unit to be used exclusively to repay the loan to the reserve account. If anyone needs assistance to pay the assessment, arrangements can be made with Dan to allow a minimum payment of \$100 per month, not to exceed six months. Anyone needing to spread out the payments will not be charged any interest or late fees. A motion to approve the assessment as outlined was made by Rick Pluese and second by Brian Fagan. The motion was unanimously approved. Dan said owners should receive a mailing from Progressive in approximately a week. If anyone wants to drop off a check at the office in the meantime, they could do so. All checks are to be made payable to Pinestone and not Progressive.

**Meeting adjourned:** The motion to adjourn was made by Rick and second by Brian and was passed unanimously. The meeting was adjourned at approximately 9:23 AM.