

PINESTONE AT PALMER RANCH ASSOCIATION, INC.
MINUTES OF BOARD OF DIRECTORS BUDGET MEETING
NOVEMBER 21, 2023

Call meeting to order: The meeting was called to order at 6:00 pm 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.

Approval of Board Meeting Minutes: Minutes for the Board Meeting October 17, 2023, and the Special Board meeting of November 3, 2023, were discussed. There were no corrections or changes needed. Motion to approve as presented was made by Marty Port and second by Rick Pluese. The motion was unanimously approved.

Presentation: Matthew Mercier of CBIZ Insurance Agency: Matthew Mercier of CBIZ Insurance, the agent of record for Pinestone, addressed the group with an update on the state of the current marketplace. He said litigation is the main reason carriers are leaving the state of Florida. In two special sessions the state legislature approved limits on the ability to sue as well as adding billions in coinsurance coverage for insurance companies. Citizen's, the state-run insurance carrier, insures roughly 1.3 million policies out of 7.5 million in the state, with \$187 billion in exposure. He believes it will take twelve to eighteen months for the changes from the special sessions to take effect. For Pinestone, our situation will improve if only one new carrier is willing to quote our master policy. That will give the association leverage for companies to be competitive. He said the state releases information on active lawsuits twice a year, in January and July. This is important to show potential carriers that litigation is trending downward.

New Business:

- Dan reported that four or five cars were entered the night before. All of the cars were unlocked, which is why he said they were entered and not broken into. He stressed the importance of locking your car doors at all times. It was likely done by teenagers from the surrounding neighborhoods. One person left his wallet in his unlocked car overnight, and it was taken. Otherwise, only loose change was taken, even leaving valuable tools behind.
- 2023 was a very fast and eventful year for Pinestone. We accomplished several major projects during the year. The largest by far was the resurfacing of the pool deck in June and July. We replaced the fire sprinkler riser assemblies in 15 buildings. The balance of the buildings will be completed next year. We have materials stored onsite for the replacement of the electric main disconnect switches and meters banks for the remaining 23 buildings. You will note an expense listed on each building's reserve schedule under the category of electric service. This is for the cost of the materials for your building. And we are in the process of replacing the tennis court lights, though progress has been slower than anticipated. When the contractor started the removal of the existing lights, it was discovered that the light posts were buried in four feet of concrete. Once the lights are complete, the court will need to be resurfaced.
- We are also going to modernize and upgrade the neighborhood camera system. We are getting high-definition cameras and NVR recorder and doubling the number of cameras around the common areas. The video quality is considerably better than the existing system.
- As everyone knows by now, the community insurance coverage sustained a large increase for the second year in a row. The subject was discussed at length during the last three board meetings. It was explained that the association had to borrow \$220,000 from its reserve account to pay the annual premium. On November 3rd the board voted to pass a special assessment of \$625 per unit to be used solely to repay the loan without depleting the money being collected to pay next year's premium.
- The increase in the insurance line item accounted for 75% of the increase in the annual operating expenses. The board has done all it can to stabilize those expenses that can be controlled, while managing those expenses out of their control.
- Dan said the key component in any budget is the reserves, both the neighborhood reserves and the individual building reserves alike. They are the key to maintaining the value of your property as well as enhancing the quality of your time here at Pinestone. Dan said he has spent months getting current costs for the many reserve line items. He said there are more than 40 items in the neighborhood reserve

schedule, and 4 times 26 buildings to deal with. He said the neighborhood is very well funded. Next year Pinestone will be state required to have the Structural Integrity Reserve Study, or SIRS study done. At the same time the insurance appraisal and overall reserve studies will also be done by Patricia Staebler.

- Dan further said that information he has received from his administrator at Progressive has shown that Pinestone is still very competitive in assessments compared to other neighborhoods in Palmer Ranch. And we are head and shoulders above the other neighborhoods in comparing what we have to offer. He said the current board of directors is fully committed to planning and ensuring your future. That begins with the budget and making sure there will be enough money available to maintain and enhance the quality of life in Pinestone. **If you're not moving ahead, you are falling behind.** The neighborhood is nearly 30 years old. Most of the infrastructure is likewise 30 years old, which is why we are doing projects around the community to protect your property values. Dan said Pinestone is the pearl of Palmer Ranch, revered by residents, buyers, and realtors alike. Properties are selling for top dollar, and in most cases selling in a matter of days. That is the true reflection of the quality of the neighborhood.

Owner questions and comments: A comment was made that we should make plans for future years for other cost increases. Dan replied that all projects were funded by reserve holdings, which is the result of planning ahead.

A question was if the new security system will help our insurance rates. Dan said no since the majority of the cost of insurance is for the \$47 million plus in property coverage on our package policy. Marty Port said the new cameras will help identify unauthorized entrants. Dan said the new system will have improved imagery on license plates.

The question was asked if the new system will be able to monitor the area between Castlebridge Lane and the apartments next door. Dan said unfortunately we cannot monitor the entire property. The cameras that we currently have and the ones we are adding are primarily to monitor the common areas and amenities areas, especially the entrance and exit lanes. Marty added that while we cannot prevent kids and vandals from entering the property, we can better identify them by expanding the areas of coverage. Dan said we are adding deterrent cameras around the pool that will turn on lights when someone jumps the fence and enters the pool area after hours.

A question was asked why we can't just install better cameras where they are now instead of adding cameras to the existing system. Dan said we have limited coverage in many important areas. There is no camera monitoring the tennis court, only one camera that covers the shuffleboard, bocce and basketball court, we have no coverage for the bike corral, and only two cameras covering the entire pool area. Marty said our present equipment is ten years old and outdated and cannot be upgraded.

An owner since 2018 said he has listened to many concerns throughout the meeting but what he has not heard was a heartfelt thank you to Dan and the entire board for all the hard work that is done. He said he could not be more proud, and said we are number one. His comments were most appreciated!

The question asked what the average increase in monthly assessments is in the new budget. The average increase was 22%, and the average dollar increase was \$83.77. Most buildings were between 18% to 22%.

Rick said before we vote on the budget keep in mind that since we hired the two new maintenance men, we have saved over \$47,000 on projects we would otherwise have had to call outside contractors to complete. The biggest way we are planning for the future and saving money is through the engagement of the two men by utilizing their combined skillsets.

Dan said he is aware that the special assessment coupons have not been received. The special assessment meeting was held on November 3rd, and the coupons were ordered November 6th. As far as he knows, no one has received their coupon yet. He said he has already received a large number of checks and reminds everyone that they can drop off a check through the mail slot in the office door, or preferably come see him. You can make your payment without the coupon provided your name is on your check. The check should be made out to Pinestone and not Progressive.

Motion to approve 2024 budget: A motion was made by Rick Pluese and second by Marty Port to approve the 2024 budget as presented. The motion was unanimously approved.

Meeting adjourned: The motion to adjourn was made by Frank and second by Marty and was passed unanimously. The meeting was adjourned at approximately 6:53 pm.