

**CENTER GATE ESTATES VILLAGE CONDOMINIUM
ASSOCIATION, SECT. 3**

**BOARD Meeting Minutes – Special Assessment Resolution & Insurance
1:30 p.m. - Tuesday, January 31, 2023 - Pool Ramada**

ESTABLISH QUORUM/CALL TO ORDER

President Deb Antonucci called the meeting to order at 1:30 p.m.

Board present: (S/T) Jean Schwied, (P) Deb Antonucci, (VP) Sandy Wilson. Full Board present.

Seventeen (17) additional unit owners were also present.

From Prokop Management: Leslie Torok

NOTICE OF MEETING – Posted by the president Jan. 17

FINANCIAL REPORT – Jean Schwied & Prokop

While the December year-end indicates a net loss, due mainly to hurricane-related expenses, but all else tracks well for the year. Kept within budget. Mailbox replacement project coming up, and has been budgeted for this year. Prokop was asked to move \$2,000.00 from the checking account into the Money Market to better balance the reserves.

UNFINISHED BUSINESS

Board Adoption of Special Assessment Resolution – A resolution was written and read aloud for the levying of \$420.00 per unit to re-coup a total of \$17,640.00 in unanticipated expenses for debris clean-up and storm damages sustained as a result of Hurricane Ian. This one-time assessment will be due in full on or before March 8, 2023. *Jean so moved to adopt; 2nd by Sandy; unanimous.* The resolution, signed by President Antonucci is appended to the minutes on file. Prokop to mail invoices to all unit owners.

New Appointments to the Board of Directors – *Sandy Wilson moved to appoint Dan Space and Jeff Bartell to the Board; 2nd by Jean Schwied; unanimous.* Both will serve as Directors, appointed for a 2-year term each.

ASSOCIATION INSURANCE UP-DATE: Due to the association’s notification of non-renewal of property insurance coverage by it’s current carrier, and whether or not they can expect to receive coverage on this, the *day before insurance expiration and renewal deadline*, Darren Howard of Atlas Insurance was introduced, and came today to explain recent changes to the Florida Insurance industry and give an up-date of the status to coverage availability for CGEV3.

He explained that underwriting requirements change, and that the smaller carriers come and go. Risk assessment changes. Legislature dropped the ball until very recently, when it put a cap on legal fees to be gleaned in the event of a claim, which stems the amount of fraud being practiced throughout Florida. It also gutted the provision for assignment of benefits. (a prime avenue for fraud and increased legal fees.)

Many insurers in Florida went bankrupt or had ratings drop significantly and left the state.

Roof age is paramount for determining risk.

continued

Another big factor is the valuations of the buildings and roofs. The Association's last insurance appraisal valued the structures at \$8.9 million. This year's most recent appraisal places them at \$13.4 million.

Association must cover at current valuations, which naturally raises premiums, but the roof age severely impacts those terms and rates. Old roofs can only be covered for Actual Cash Value – a depreciation based formula, and puts the Association in no position to move to a lower deductible from the 5% it currently must bear in the event of a named windstorm.

In all of Darren's 22-years in finding and binding coverage for condominium associations, he has never represented one that was dropped. At any rate, other than finding coverage through Citizens – which is undesirable for many reasons, including an expenditure on top of high rates to secure complete roof and electrical inspections of all the units in the community. But Atlas has searched and gone to as many remaining carriers in the state as it could – including Citizens – and, Good News, just as this meeting was coming to order received a text from Atlas that indeed they were able to secure property coverage through a company called Clear Blue.

The bad news is that while coverage through Citizens would have been substantially higher, Clear Blue nevertheless will cost the association 100% more over last year's insurance budgeted amount, and comes in for a total package consisting of property insurance and all the other things the Association must carry (Crime, Directors & Officers, Liability, etc.) of \$116,000.00 for the year. (For 2022 the total cost was budgeted for \$52,738.50.)

After a great many questions and comments from the Board members and the owners present, the meeting returned to the crisis at hand, and getting the Association insurance in place by deadline. The insurance premiums will have to be financed, with monthly payments through the year – same as last year.

The Board was in full agreement to accept and get coverage bound. Darren will get all the paperwork together for Prokop by tomorrow in order to secure signatures and cut the check for the down payment invoice.

Darren was thanked for his time and efforts and excused.

(Subsequently everything was received, and signed, and management hand-delivered everything to Atlas in time on the renewal date of February 1. – the next day.)

The Board continued discussion about how to pay for this hit to the operating account. Jean made available a hand-out to all present, outlining the community's recent insurance cost history back to 2020 and highlighting the *urgent and dire need for new roofs throughout the community within the year*. Her hand-out contained some possible options for ensuring roof replacement and also for paying for the current year's insurance costs. (Hand-out appended to the minutes on file.)

In lieu of re-visiting the 2023 budget and driving the monthly maintenance fee to over \$500.00, the Board ultimately determined to pursue setting up a plan for a special assessment resolution for insurance at an upcoming meeting. ***Sandy so moved; 2nd by Jean; a somewhat reluctant, but unanimous, agreement from the remainder of the Board followed. Motion passed.***

DATE OF NEXT MEETING – Friday, February 24, 2023 – 11:00 a.m.

ADJOURNMENT

Having exhausted all discussion on the agenda items, President Antonucci adjourned the meeting at 2:45 p.m.

Respectfully Submitted for the Secretary by
Leslie Torok – CAM, Prokop PA