

Board Approved

Jacaranda Country Club Villas Condominium Association, Inc.

Annual Membership Meeting Minutes
Monday, March 21, 2022, at 10:00 a.m.
Via Zoom Teleconference Services

CALL TO ORDER: The meeting was called to order by Joe Claro at 10:03 am.

DETERMINATION OF A QUORUM: Joe Claro, Judy Liston, Katie Derrohn, and Lee Snell were present. Also present was Lisa Taylor from Sunstate Management. A quorum was established with 43 members present in person or by proxy.

PROOF OF NOTICE: **Meeting Notice was posted and mailed to homeowners in accordance with the Association's Bylaws and Florida Statute 7.18.**

READING AND DISPOSAL OF MINUTES: *Lee Snell made a motion to dispense with reading of the Annual Meeting Minutes dated March 22, 2021 and approve them as written. Katie Derrohn seconded the motion which passed unanimously.*

ELECTION OF DIRECTORS: Pursuant to Florida law, an election of the directors for the Association was not required since the number of persons wishing to run for the Board was less than the number of vacancies to be filled. It was announced that the Board of Directors for 2022 would be comprised of Katie Derrohn, Judith Liston, and Lee Snell. It was noted that the Board could appoint owners to fill the Board position vacated by Ron Springall and the Board position that would be vacated by Joe Claro at the end of the meeting due his term ending. *Lee Snell made a motion to appoint Joe Claro to the Board to for a 2-year term. Katie Derrohn seconded the motion which passed unanimously.*

REPORTS OF OFFICERS AND COMMITTEES

PRESIDENT: Joe Claro reported that the landscaping process has been streamlined. He also stated that the Association is in good shape financially thanks to Judy Liston hard work as Treasurer. He reported that the well project was finished, the pool pavers cleaned, the pool umbrellas were replaced, and the pool edge will be painted. Joe also reported that that the pool pavers had been clean and re-sanded. Joe stated the Association will continue with landscaping and beautification projects in the community. He also provided an update on the Armadillo and mole issues. He said the Association paid to have two armadillos trapped **but he didn't think** moles were worth the expense of removing. The Landscaping committee is looking for products that kill grubs which are a favorite food of moles. Hopefully the moles will move on if there are no more grubs to eat. Joe also stated that the Compliance Committee would be reactivated to address and monitor any issues within the community.

TREASURER: Judy Liston provided a **comprehensive report of the Association's finances**. Her report to the Membership is attached and will become part of the official records.

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UNFINISHED BUSINESS: NONE

NEW BUSINESS:

Vote to approve the roll over of any excess operating funds from this year to be applied to next year's operating budget as provided by IRS Revenue Ruling 70-604. The vote to roll over any excess funds passed unanimously with 43 votes in favor and 0 votes opposed.

OWNERS COMMENTS:

- a. Can owners fill in the armadillo holes? Joe stated that owners could fill them in.
- b. It was reported that a unit was going on the market.
- c. Owners were reminded of the upcoming fire extinguisher inspection and to put them outside of their door.

ADJOURNMENT: With no further Association business to discuss, a motion was made by Lee Snell, seconded by Judy Liston to adjourn the meeting at 10:30 am.

Respectfully submitted by

Lisa Taylor

Lisa Taylor/LCAM

For the Board of Directors for Jacaranda Country Club Villas

TREASURER'S ANNUAL REPORT:

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Major Financial events in 2021:

1. In January 2021, the last of 3 phases was completed on the dripline project to keep irrigation from spraying rust stains on the buildings.
2. A paint committee was formed in January which recommended a neutral palette of gray, beige, white, taupe to the board. This was voted on by the owners April 20, 2021, which gave each building the option to choose 1 of the 4 colors for their building. Painting to occur 5/1/2021-5/31/2022 as contracted by each owner.
3. We finished the year with NET LOSS of -\$85 and reserves balance of \$68,952 on assets of \$117,415.
4. Total capital expenses for 2021 were \$1500 to paint the front wall, reserves additions were \$16,622.
5. The long range goal is to have reserves coverage at 85% (\$99,800) by April 2024. We have budgeted to add \$12,983 to reserves in 2022. See #8 for caveats.
6. NOTE: The cost to paint the front wall has DOUBLED since the 2012 painting. Actual cost this year was \$2813 for the back side of the wall, and we had reserved \$1500. We forgot to budget reserves for the last 10 years to paint the pool cabana so that was paid from operating expense. Total cost to paint the wall and pool cabana was \$4377 plus \$2979 that HOA#1 paid to paint the top and street side of the front wall.
7. The biggest expected expense from reserves is \$20,000 to replace the pool liner when the Health Department **inspection says "it's time"**. **Normal replacement date is January 2025**, however the expense is covered now if it has to be refurbished earlier, unless the cost has substantially increased. (See #8).
8. Since the 2022 budget was approved 10/18/2021, we have also seen costs almost DOUBLE for new irrigation well pumps from \$6000 in 10/2019 to \$11,000 in January 2022. This is cause for concern with our reserves planning discussed in #5 & #6 above and as discussed in the budget mailing for the October 18, 2021 board meeting.

Financial Plans for 2022

1. Major budget categories (including reserves for those categories) are:
 - 57% Insurance (\$535/qtrly dues)
 - 24% Grounds & Irrigation (\$223/qtrly dues)
 - 10% Pool (\$92/qtrly dues)
 - 9% Admin (\$85/qtrly dues)100% Total (\$935/qtrly dues)
2. Dues are \$935/quarter for 2022 due largely to the 20% increase we are budgeting for insurance. The only contract to increase was Sunstate Management at 3% on a \$12,600 expense. Lawn and irrigation maintenance/ monthly bush trimming (\$41,292), servicing the pool chemicals (\$4,600), servicing the pool's Geothermal heater (\$370), cleaning the pool cabana (\$2,340), and pest control (\$2,940) had no increase.
3. The board voted November 17, 2021 to approve a \$26,000 project to drill 2 new irrigation wells. These were drilled deeper than the current wells and use PVC pipe for casing, rather than the iron pipe used originally which is badly rusted.

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This was funded as a one-time assessment of \$360 payable 50% in both Jan 1 and Feb 1. This project was completed in January 2022.

4. The pool and sidewalk pavers were cleaned, re-sanded and sealed in January 2022 for \$4042. In 2023 we plan to sign a 3-year contract that includes inspections and clean/re-sand as needed every 6 months for \$206/visit and a clean and re-seal at 50% discount on the last visit of the 3rd year for \$1725 rather than doing nothing for 4 years.
5. As part of a Long-Range project, we will start refurbishing the shrubbery at the front entry and the Circle road in 2022. Several tall trees at the front wall are dying and will be removed. We will skip the \$1250 for Beechtree to mulch the front wall, trees around the Circle, and common areas. The board has 3 volunteers to mulch the front wall (125 bags @ \$3/bag = \$375) in April if needed. Remaining areas will not be mulched by the Association in 2022. The remaining \$875 of the mulching budget would be available for the front wall and around the Circle Road to remove old vegetation and plant new trees/bushes in addition to the \$1500 that was already budgeted for tree replacement. This overall effort is not in the 2022 budget, so we are trying to stretch our funds and additional donations from owners are welcome.
6. We recently discovered an infestation of moles and armadillos and are negotiating annual contracts to address this problem. It is NOT a budgeted expense and our present estimate is about **\$5,000/year using a “moveable designated area”** approach (vs a quote of \$29K/year to treat the entire community all at the same time for one year for moles.)
7. We are budgeting a 20% increase in insurance for the July 2022-June 2023 policy year (\$165,096) which translates to \$151,338 for the Villas budget year, based on what our agent is seeing in the marketplace. Since our policies renew mid-year, that means the first ½ of the new policy is the portion we budget for 2022 resulting in \$151,338 budget for calendar year insurance (1.20 X \$137,580 current policy = \$165,096/2 for July-Dec 2022 and \$137,580/2 for Jan-June 2022). Our agency is providing the age of our roofs to carriers as part of the quote process.
8. The reasons for the big insurance increase are:
 - a. The insurance marketplace is in financial disarray due to big weather disasters in 2020 in the US and the rising cost of reinsurance, which is priced in the “global market” so is beyond the reach of the state Office of Insurance Regulation’s ability to approve rate increases. In 2020, there were 22 separate billion-dollar weather disasters in the US which cost the nation a combined \$95 billion in damages. The costliest 2020 events were Hurricane Laura (\$19 billion), Western wildfires (\$16.5 billion) and the August derecho in the Midwest (\$11 billion.)
 - b. Reinsurers are global, so they are insuring earthquakes, wildfires, floods, tornadoes, hurricanes, ice/snow storms and similar disasters *worldwide*.
 - c. Most carriers offload 50% of their risk portfolio to reinsurance carriers which means 50% of every premium \$ goes to pay for reinsurance.
 - d. Reinsurers are companies such as Munich RE, Swiss RE, Hanover RUCK S.E., Berkshire Hathaway, Lloyds of London and Chubb, none of which are under rate supervision by the FL Office of Insurance Regulation.
 - e. The big publicly traded insurance carriers writing business in Florida are Universal (UVE), Fed Nat (FNHC), Heritage (HRTG), United (UIHC) and HCI Group (HCI). Most are not doing well financially, thus leading to the need for rate increases (which must be approved by the FL Board of Insurance Regulation.) Expect to see rate increases for the next few years until profitability improves.
9. Since Insurance is 57% of our Association budget, why don’t we look for another insurance agency to find us lower cost insurance?

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- a. Because Brown & Brown, our current agency, *sends our request for quote to every carrier in Florida that writes condo insurance and has the financial ability to pay our claims* (as rated by Demotech, AMBest, or a review of their financial statements).
 - b. In 2021 we received responses from 21 carriers.
 - c. There is no reason to change agencies as Brown & Brown is already including all FL carriers in the RFQ.
10. Florida Statutes require condo associations to carry insurance for full replacement value. As of 3/15/2021 this is \$19,793,307 for the JCC Villas. At \$535/qtr each owner is spending \$2140/year on insurance to protect their condo (plus whatever they pay in HO6 premiums for interior buildout etc). FYI our annual policy year insurance topped out at \$147,046 in 2014-2015 before it started decreasing, compared to \$165,096 for 2021-2022.

Judy Liston, Director Insurance & Finance