

Jupiter Plantation HOA
Board of Directors meeting
May 17, 2022
Minutes

Meeting convened at 6 PM

Directors present: Allison, Goby, Cook, and Shipley.

Eric Peterson introduced the April 20, 2022 minutes which were accepted with no change.

Officers' reports

Karen Cook reported that the "welcome" packets to be used to meet new residents are completed. She is conducted one meeting with an incoming resident which went very well. Karen said that the "no fishing" signs are ready and will be installed shortly.

Gina Shipley said that we have reached the threshold to amend our Declaration. This will enable the board to schedule the Annual Meeting and a date and time in January. Materials needed to file the amendment in the county record have been conveyed to attorney Dicker.

Old business

none

New business

- 1) Re-stripe parking spaces and paint parks stops – Kent Goby was asked to read the details of the project which include restriping of each parking space, repainting each parking stop, replacing any broken parking stops and other maintenance items associated with our roads and parking areas. After reviewing the proposals in hand Kent offered a motion to accept the contract provided by DMI paving for \$8895. Eric Peterson said the monies to do this project would be available in the parking reserve account and therefore would have no effect on the operating budget this year. All directors vote aye
- 2) Board resolution regarding dog rule violations by owner 22A - the following resolution was adopted by the Board of Directors: "by this resolution, the Board of Directors instructs as follows: upon receipt of any information noting verifiable violation of the dog rules to include failure pickup solid waste, dog not on leash one on the common areas or aggressive behavior toward other animals or persons, the owner of unit 22A shall be issued a notice of the Board recommendation to fine for the violation noted." All directors voted aye.

At this point in the meeting Mary Lou Allison, Pres. introduced Don Brady, principal agent for RV Johnson, our insurance provider, and Edward Dicker, Esq., our attorney. Mary Lou stated clearly that these two gentlemen were here to assist to help us understand and seek solutions to our property insurance dilemma. Our insurance package this year was renewed at a cost of \$80,000 more than was budgeted. Mary Lou asked that everyone listen without interrupting what was being presented until after all directors had a chance to present their questions to the guests. Mary Lou assured everybody that their chance to ask questions would be recognized.

Don Brady gave an overview of the current property insurance situation in Florida. Many companies have left the market entirely, and others have imposed very strict guidelines on what they will insure. Some of their restrictions include total value of the property being insured. Overall age of the residential buildings, estimated remaining useful life of roofs etc. For those companies who have decided to offer coverage, their premium expenses have been increased anywhere from 25% to 50% generally. Because Jupiter Plantation's situation disqualified the Association from obtaining property insurance, we were forced a year ago to place our insurance coverage with Citizens Property Insurance, a creation several years ago by the State of Florida. Citizens was always intended to be "the insurer of last resort." As a result of the insurance industry, essentially leaving Florida, Citizens experienced a tremendous increase in the amount of business they were obligated to accept. Citizens realized that many of the properties they were ensuring were deficient in some areas and thus presented an extraordinary risk to Citizens. Citizens then developed some criteria which they are forced upon their customers as conditions which must be met prior to any renewal of existing policies. In our case, they used a roof life expectancy chart and concluded that our flat roofs have a maximum 15 year useful life. With that information in hand, they have indicated to us that they will not insure the Association unless there are no residential buildings which have a roof more than 15 years old and in good condition. Certification of these two facts will be required upon our submission for renewal of the property insurance policies.

Eric Peterson has been able to obtain from the town of Jupiter building Department a spreadsheet listing all permits issued for our buildings for the past many years. In looking at the data, we find that only seven of our residential buildings are 15 years or less old. That means that none of the rest of the 42 units meets the minimum qualification to obtain insurance in another year. Clearly, not to have insurance is unacceptable. In the first instance, our Documents demand that property insurance for full replacement cost of the residential buildings be in place at all times. Secondly, mortgage company contracts contain the same provision.

The Board agreed with both Mr. Brady and attorney Dicker that the first approach the Association should take is to hire a roofing engineer. Among other things, yet roofing engineer would be able to determine the actual condition of each roof and also would develop mandatory specifications to be followed by those who must install new roofs on their buildings.

Some of the suggestions which then occurred are as follows:

- if all the roofs are brought up to current codes and "new" condition, would our insurance premiums be reduced?
- If all the roofs are brought up to current codes and "new" condition, with the market then be open for other companies to reconsider offering insurance coverage?
- How much leeway is Citizens willing to accept? They must understand that there will be issues requiring time to solve such as permit issuance, materials availability, licensed roofing company schedules etc.

Don Brady was then asked to explain the “duplicate coverage” now existing at Jupiter Plantation. Citizens insurance, for reasons too lengthy and complicated to present here, changed the scope of their coverage such that the interior of the units is now covered under their policies for hazard and windstorm occurrences. Simply stated, this means that your entire unit is covered by the present insurance policies with the exception of any items you personally brought in the front door. That being said, a great many of you will have also purchased individual property insurance policies as were required if the Association had purchased “regular market” coverage. The question is whether someone with duplicate coverage should cancel what they have seeking a refund of unearned premium and then not buy it again as long as citizens was our carrier. Mr. Brady said that there is no single answer to that question and he encouraged anybody in that situation to call their agent and discussed the situation with them. If you call your agent, be sure to tell them that the Association has a master policy with Citizens Insurance.

President Allison then opened the meeting for questions from the floor... A summary of important information now follows.

Can we self-insure? Mr. Dicker stated that our governing documents, as with most community associations, require that the board obtain and maintain adequate property insurance at all times. The board has no wiggle room on this as it now stands. However, the members could amend the Declaration to eliminate the Association requirement with respect to placement of property insurance. This would require a positive vote by a majority of all members.

Clearly, there will be some members who for whatever reason cannot pay the estimated nine to \$10,000 for a new roof. What then? Ed Dicker said that there is a process in Article 6 of our Declaration which describes how payment may be made either by the Association or by the other members of a particular building. It must be noted that the document does not compel the Association to be involved financially, and it may be reasonable as to whether such involvement is legally warranted.

In answer to a question, Mr. Dicker said that a foreclosure action does not guarantee satisfaction, i.e. payment, of a recorded lien. Additionally, there are many instances where other liens such as a first mortgage will be superior and will consume any available proceeds should a property be sold for satisfaction.

The fact that there are several different roof systems available in the market was raised and questioned asked as to whether or not these less expensive solutions could be used? The answer to that will rest with current building code, and as an example, spray coatings and the like DO NOT meet current building codes in Florida.

Meeting adjourned at 7:40 PM

Eric G Peterson, recorder