



Palmas Del Mar Homeowners Association

No. 5 Academy Drive, Humacao, PR 00791-6904
Phone: 787.285.6425 • www.palmaspha.org



May 15, 2023

Dear Homeowner:

Minutes of the Annual Meeting of PHA Members held on Saturday, April 15, 2023 are forwarded in accordance with the Palmas del Mar Homeowners Association (PHA) By-Laws. Please contact PHA at (787) 285-6425 should you have any questions/comments or require additional information.

Sincerely,

Jose A. Quiñones
Executive Director





MINUTES
PHA 48th ANNUAL MEETING
APRIL 15, 2023

Minutes of the Annual Meeting of the Membership of the Palmas del Mar Homeowners Association (PHA) held on Saturday, April 15, 2023 at Palmas del Mar, Humacao, Puerto Rico.

I. CALL TO ORDER

The 47th Annual Meeting of the Palmas del Mar Homeowners Association (PHA) was called to order at 9:00 a.m. by Mr. Erasmo Reyes, President. Mr. Reyes welcomed all attendees and outlined the order of business and procedures for the meeting.

II. ROLL CALL & QUORUM

The PHA Board Secretary, Mr. Antonio García, conducted a roll call of the PHA Board.

Class A Directors Present

Mr. David Hurwitz
Mr. Gabriel Espasas
Mr. Robert Lowry
Ms. Mariel Figueroa

Class B Directors Present

Mr. Erasmo Reyes
Mr. Antonio García
Mr. Fernando Sosa
Mr. Enrique Alejandro
Mr. Jorge Suárez
Ms. Frances Olivieri
Mr. Jorge Manrique
Mr. Ricardo Casillas

Directors Excused

Miguel Santiago

Quorum for the Annual Meeting was established at 61% with 2,241 voting units out of 3,657 represented by 29 out of 47 voting District Delegates or alternates as follows:

	<u>Name</u>	<u>Regime/Association</u>	<u>Units</u>	
1	Jorge Blay	Bahia del Sur	37	
2	Joseph Tusinkiewitz	Beach Village I	36	
3	Omar Ortiz	Beach Village III	30	Zoom

4	Jorge Manrique	Beach Village V	72	
5	Raúl Candelario	Casillas de Palmas	30	
6	Raul Candelario	Casillas de Palmas	30	
7	Enrique Alejandro	Club Villa	25	
8	Servando Diaz	Costa Verde	42	
9	Lexy Sanchez	Crescent Cove	101	
10	Maricarmen Muntaner	Fairlakes Village I	100	Zoom
11	Enrique Toro	Haciendas de Palmas	76	
12	Jose Quiñones	Harborlights	88	
13	Enrique Aguirre	Harbourside	102	Zoom
14	Herman Santoni	Las Villas I	45	Zoom
15	Roberto Velázquez	Las Villas II	45	
16	Fernando Sosa	Maralago	72	
17	Dan Rayes	Marbella Club	148	
18	Radames Cobos	Mare Sereno	56	
19	Rafael Santiago	Palmanova Plaza	111	
20	Lucy Pereira	Palmanova Village	65	
21	Nerdy Cruz	Palmas Doradas	70	
22	Carmen Roldán	Palmas Plantation	178	
23	Aixa Olazagasti	Palmas Reales	70	
24	Jorge Suarez	Plaza del Mar	24	
25	Jose A. Silva Cofresi	San Miguel Island	74	
26	Jeremy Nichele	Seascape	16	Zoom
27	Frances Olivieri	Shell Castle Club	64	
28	José Quiñones	The Estates	298	
29	Daisy Diaz	Villa Franca I	136	
	Total		2241	

III. APPROVAL OF MINUTES

Minutes of the 2022 Annual Meeting were mailed to the membership within 60 days after the meeting in accordance with the PHA By-laws. No comments were received.

Minutes of the 2022 Annual Meeting were unanimously approved upon a motion by Mr. Erasmo Reyes seconded by Mr. Enrique Alejandro.

IV. PRESIDENT’S REPORT – MR. ERASMO REYES

Good morning, everyone:

In this Annual Assembly the President of the Board comes and offers a “President’s Report” including activities, projects proposals and general business performed during the year previous to the meeting. As all of us shall know the activities, initiatives, projects, proposals and general PHA business are the result of the PHA Board of Directors decisions and the implementation by our personnel particularly our Executive Director, Mr. José Quiñones. During the 2022-2023 year the Board met nine (9) times. Attendance has been spectacular. Initiatives from Board members were plenty and in my humble opinion this Board has achieved the goals set.

During the 2022-2023 year, the PHA commitment has been to continue providing services to our community in accordance with its duties and responsibilities pursuing a better life in Palmas of us the homeowners.

Among others PHA:

- maintains clean the common properties at Palmas
- maintains and operates our access control system
- maintains and operates a security system for the community as a whole
- maintains and keeps open PHA amenities (children’s park, skate park and dog park)
- provides activities for our children in Easter and Halloween
- provides the Homeowners with activities and parties on Christmas, Three Kings Day, Homeowners Week and all of these are family oriented
- we maintain our green areas, landscapes and fountain and other.
- we help and assist the Pterocarpus Forest
- those and many other tasks are performed in favor of us the homeowners.

During the 2022-2023 year, your Board approved, performed and/or achieved the following:

1. The remodeling of our Main Gate

- a new roof was constructed and installed (without causing traffic delays
- the refurbishment and/or remodeling of the interior was also performed. New tiles were installed, new bathroom, lighting fixtures and working counters were installed. Also, fridge and microwave were replaced. This will also be done for the service back gate.

The remodeling includes upgrades of the electrical and will provide the capacity for a new top of the line technology cameras and identification system for visitors and vendors.

2. PHA Billboard

The billboard was repaired under warranty and is providing information about community activities and services.

3. Artificial Reef Project

As we all know the artificial Reef Project has been under study and work for many years due to the cost involved and its high value to Palmas several previous Boards put lots of work in this topic.

The funds provided for reconstruction from Huracan Maria opened a window of opportunity and PHA went for it. Today and thanks to the work and vision of those Board members past and present who believed and recognized the value of our Punta Candelerero Artificial Reef I am extremely glad to inform that approval for phase 1 has been granted. Phase 1 includes the costs for studies, design, drawings and permits. We will continue our work for the completion of this project and the benefit of our community.

4. Pterocarpus Forest

With PHA's help our beloved forest had the installation of a new canopy, the replacement of wood sections at the Tower and a general clean up.

5. ARB

A new set of ARB Design Guidelines was approved to provide for the introduction of modern designs while maintaining our Mediterranean look and tiles.

6. The TPA

Regarding the commitment of the homeowners with the Palmas Academy, the 2023 budget provides for scholarships for talented boys and girls from communities outside Palmas for them to receive the benefit of quality education and for us to fulfill our duty of being good neighbors.

7. Road Repavement

As to the repaving of our roads, we did two things. The first one was to provide our budget with a healthy assignment of funds and the second one was to enter in friendly talks with Humacao City officials. From these conversations, we obtained the city's commitment to share the cost in the execution of the paving.

This will enable us to do more for our roads.

The roads are not the only recipient of PHA repaving. Our Executive Director will also begin the repavement of our golf cart paths.

8. Cross Country Trails

Our cross-country trail suffered delay but the required funds for the completion of our first trail are in our budget and we all know that this project will be executed this year providing the community with a trail for walk and exercise.

9. Sargassum

As we all know, sargassum has become a major issue not only in our community but all over the Caribbean as well. We at the PHA Board are committed to provide beach spaces that are usable and sargassum clean. It is a hard fight but we will give it our best with the available resources.

During the sargassum incoming months, PHA has developed a plan for cleaning activities permitted under the law. Our budget was provided with additional funds and additional crews are working in the recollection by hand of the sargassum. We all know that regarding sargassum we clean in the morning and we have it back by noon, but we will continue cleaning in the most efficient way.

At this time, I am glad to inform the community that PHA is in the process for the acquisition of a special rake machine with an estimated cost of \$200,000 which will prove a significant increase in the amount of sargassum that can be collected and removed and in the efficiency of said recollection.

10. Reduce the interest cost

The PHA Board analyzed the cost of interest for the PHA Building loan and decided that it was of no good to PHA to incur in the interest expense having the cash for the payment in full of the loan and therefore the cancellation of the mortgage was decided. I am glad to inform you that the loan for the building was paid in full and finally PHA's building is homeowners' property free and clear of mortgage.

11. Government Relations

We have pursuit the development of good relations with the PR Government. Among those good relations Palmas has received benefits in favor of our community, among which I inform that:

- a. a new fire truck was provided to the Palmas Fire Station. This new fire truck has the capacity of re-stocking itself with water from our lakes producing efficiency.
- b. also, a new state of the art ambulance was assigned to the Palmas Fire Station as its base.

Many things have been taken care of and many others are in the pipeline, all for the benefit of us the homeowners.

As I have said, PHA is ours. PHA Board is composed of 4 Class A members appointed by Palmas del Mar Properties and 9 members representing each one a district of Palmas. Those are the Class B members which are elected to serve with no compensation, but with the sweet flavor of service. This Board, this community, we that put our faith in Palmas need people

interested in service and this is an open invitation to participate in your regime, to participate as a delegate, to participate as a Board member and to enjoy the sweet flavor of service and protection of our community.

This concludes my report. Thank you.

V. TREASURER'S REPORT—MR. ENRIQUE ALEJANDRO, TREASURER

The report presents the results and financial condition of the Palmas del Mar Homeowners Association, Inc. as of December 31, 2022 and audited by CPA Jorge L. Rodríguez Velázquez. Also, presents the 2023 approved Budget sent to the owners on November 2022 as required by the PHA Covenants.

The PHA Board of Directors as part of his responsibility continues monitors the finances of the Association very closely to ensure a healthy financial position that supports the major community needs and interests giving the ability to deal with the emergency situations while providing the services and support to the community. Security and the quality of life and property values are number one priority. As an organization with fiduciary responsibility to its membership, we want to continue to act prudently with our budget and programs for 2023. The Association is in very good position in its operating account as well in the Major repairs/Disaster recovery funds.

A. 2022 FINANCIAL AUDITS

The firm JL RODRÍGUEZ & CO conducted the 2022 Financial Audit. No findings were reported and we received an unqualified opinion in our financial statements. The report was posted on the PHA web page in accordance with the PHA Bylaws. The report also validates the excellent management of the operations and strong financial position of the Association.

B. AUDITED FINANCIAL RESULTS AS OF DECEMBER 31, 2022

Audited Revenues

In terms of revenues, audited total revenues for 2022 were \$3,991,586 (net of discount) which is \$96,794 favorable to 2022 budget.

Major drivers were:

1. Property Assessment - \$77,234 – Includes Road assessment income from new houses and improvement, new assessment income from new developer houses and prior year assessment (2015 and prior year)
2. Golf Cart Income - \$14,196 – Increase as new owners.
3. Late Charges fee - \$10,096 – Variance driven by prior year collections.

Revenues	2022 Budget	2022 year-end Actual	2022 year-end Budget Variance
Property Assessments	\$ 3,619,792	3,697,026	77,234
Change of Owners	6,000	14,218	8,218
Golf Cart Income	122,000	136,196	14,196
Late Charge Fees	35,000	45,096	10,096
Interest	4,000	4,512	512
Legal Fee Reimbursement, Misc. & Other	145,000	135,254	(9,746)
Sub total	\$ 3,931,792	\$ 4,032,301	100,509
Less Discount	(37,000)	(40,715)	(3,715)
Total Revenues	\$ 3,894,792	\$ 3,991,586	96,794

Audited Operating Expenditures

Total Audited Operating Expenses in 2022 were \$3,269,579 for a favorable variance of \$250,193 vs budget.

Operating Expenditures	2022 Budget	2022 Actual	2022 Act vs Budget
Security & Access Control	\$ 1,233,643	\$ 1,159,561	\$ (74,082)
Grounds Maintenance	344,680	335,742	(8,938)
General Maintenance	315,690	353,025	37,335
Insurance	106,000	100,280	(5,720)
Professional Fees and Services	257,000	83,373	(173,627)
Salaries & Benefits	424,159	560,454	136,295
Business Meeting, Activities & Media	118,000	114,235	(3,765)
General Administration	210,900	220,957	10,057
Interest, Depreciation & Others	509,700	341,952	(167,748)
Total Operating Expenditures	\$ 3,519,772	\$ 3,269,579	\$ (250,193)

The major drivers are the follow:

1. Security – (\$74,082)- Unused security emergencies funds and rates audit.
2. General Maintenance – \$37,335 – Unfavorable variance due to beach cleaning (sargassum problem) and cleaning of palm trees.
3. Professional Fees and Services – (\$173,627) Impact of reclassification the PHA Executive Director position to PHA payroll.
4. Salaries & Benefits - \$136,295 – Represents the Executive Director position budget as professional service and reclassification to employee.
5. Interest, Depreciation & Other – (\$167,748) – Reduction in the reserve for allowance for doubtful account as recommended by the external auditor and saving in the PHA contribution to the ARB. (\$30k)

Major Repairs and Special Projects

In terms of major and special projects, in 2022 the Association budgeted \$375,020. Total spent was \$247,953

Major Repairs and Special Projects	2022 Budget	2022 year-end Actual	2022 Budget year-end variance
Road / Cart path repair	\$ 0	\$ 146,500	\$ 146,500
Coral Reef Ecosystem	0	18,000	18,000
Walking Trail Project #1	38,560	6,113	(32,447)
Walking Trail Project #2	33,050	0	(33,050)
General Projects	103,410	28,900	(74,510)
Major Projects and Emergencies	200,000	48,440	(151,560)
Total	\$ 375,020	\$ 247,953	\$ (127,067)

- ❖ Road/Cart path repair - \$146,500 – Includes paving of Port Road Street and the PHA entrance.
- ❖ Artificial Reef - \$18,000 – Consulting services.
- ❖ Walking Trail Project - \$6,113 – Ground movement work.

- ❖ General Projects - \$28,900 – Includes improvement and repairs of the Forest gazebo.
- ❖ Major Projects and Emergencies - \$48,440 – Expenses related to hurricane Fiona.

In summary, total audited revenues were \$3,991,586 while total operating expenses and major repairs and special projects were \$3,517,532.

C. 2023 Budget

The 2023 budget was assembled by special committee consisting of the PHA President, the PHA Treasurer, a “Class A and a Class B member of the PHA Board, the PHA Executive Director and the PHA Comptroller. It was reviewed in detail by the PHA Executive Committee and reviewed and approved by the PHA Board of Directors and sent to the PHA membership in November 2022 as required by the PHA Covenants.

The objectives pursued and the assumptions made in the preparation of the 2022 budget are as follows:

1. PHA Objectives

- Enhance quality of life and property values of the community
- Community safety
- Develop programs and initiatives that support community growth.
- Association financial stability

2. Budget Assumptions

- 5% increase in assessment fee
- 2.5% discount on pried fees
- Conservative revenue projection
- Zero based budget in major expense accounts
- Support community essential programs and objectives.
- Support fund for major projects and disaster recovery.

3. 2023 Highlights

- Conservative revenues projection of \$4,102k net of 2.5% discount
- Operating expenses at \$3,969k, zero based budget in major accounts
- Supports essential projects of the community
- Support fund for major repairs and disaster recovery, \$133k

BUDGET REVENUE

PHA 2023 revenue budget is \$4,102,374 net of 2.5% discount and total operating expenses at \$3,969,821 for an excess of revenues over expenses of \$132,913.

Revenues include assessment income (regular and road assessment), Other income which includes change of owners, golf cart, miscellaneous income and late charges income (which comprise late fees penalties for individual late payments and bank and investment interest.)

Revenues	2022 Budget	2022 Year-end Actual	2023 Budget	2023 Budget vs. 2022 Budget
Property Assessments	\$ 3,619,792	\$ 3,697,026	\$ 3,835,234	\$ 215,442
Change of Owners	6,000	14,218	6,000	-
Golf Cart Income	122,000	136,196	138,000	16,000
Late Charge Fees	35,000	45,096	35,000	-
Interest	4,000	4,512	4,000	-
Legal Fee Reimbursement, Misc. & Other	145,000	135,254	126,500	(18,500)
Sub total	\$ 3,931,792	\$ 4,032,301	\$ 4,144,734	\$ 212,942
Less Discount	(37,000)	(40,715)	(42,000)	(5,000)
Total Revenues	\$ 3,894,792	\$ 3,991,586	\$ 4,102,734	\$ 207,942

Compare budget to budget, the major variances are:

1. Property assessments - \$215,442 – Represents assessment increase.
2. Golf Cart Income - \$16,000 – Increase due to new owners.
3. Legal Fees reimbursement, Misc. & Others – (\$18,500) – Conservative estimate in miscellaneous income (AVI, sticker, room rental) as compare with 2022-year end.

BUDGET OPERATING EXPENSES

The total operating expenses for year 2023 are estimated at \$3,969,821. This year includes as last year the minimum wage change impact driving the increase service contract and employees' salaries. Also, includes a separate item for the sargassum problem. The major operating expenses are:

Operating Expenditures	2022 Budget	2022 year-end Actual	2023 Budget	2023 Budget vs. 2022 Budget
Security & Access Control	\$ 1,233,643	\$ 1,159,561	\$ 1,314,919	\$ 81,276
Grounds Maintenance	344,680	335,742	344,642	(38)
General Maintenance	315,690	353,025	607,330	291,640
Insurance	106,000	100,280	110,300	4,300
Professional Fees and Services	257,000	83,373	103,000	(154,000)
Salaries & Benefits	424,159	560,454	622,235	198,076
Business Meeting, Activities & Media	118,000	114,235	177,000	59,000
General Administration	210,900	220,957	231,500	20,600
Interest, Depreciation & Others	509,700	341,952	458,895	(50,805)
Total Operating Expenditures	\$ 3,519,772	\$ 3,269,579	\$ 3,969,821	\$ 450,049

1. **Security (\$1,314,919)** –Includes the regular security and special security services for 2023 reflecting the Association’s number one priority. Variance (\$81,276) due to the increase in minimum wage, special services and the new security guardhouse cameras system service.
2. **Ground Maintenance (\$344,642)** – Includes the landscaping contract and the mosquito control contract.
3. **General Maintenance (\$607,330)** – Includes the beach cleaning, road repair maintenance, lot cleaning, signs, electrical and solar illumination maintenance, access control, HCP Beach compliance, children park and fountain maintenance. Variance versus last year budget represents the \$300,000 reserve for sargassum cleaning.
4. **Insurance (110,300)** – PHA insurance program. Estimate budget based on 4% increase.
5. **Professional Fees (103,000)** – Includes legal service and collection, consulting and the annual audit. Variance of \$154,000 from last year represent the reclassification of the Executive Director position.

- 6. Salaries & Benefits (\$622,235)** – Includes all PHA employee salaries and fringe benefits and staff adjustments including the increase in minimum wage impact and the reclassification of the Executive Director position from Professional service.
- 7. Business Meeting & Activities (\$177,000)** – Includes Board, Committee meetings and activities, community relations programs, community activities, Academy Scholarship program, PHA Magazine, Web Site and social media operations. Variance represent increase is Community Relation line item.
- 8. General Administration \$231,500** – Includes all PHA office and building maintenance, utilities, vehicle expenses, office maintenance, access control and information systems maintenance. Variance of \$20,600 is to cover some maintenance and repairs in the PHA building
- 9. Interest, Depreciation & Others – \$458,895** – Includes, among others, depreciation (\$166,000), ARB Expenses (\$20,000), Forest Maintenance (\$10,000), Provision for uncollectible accounts (\$197,000), Bank services charges for processing credit cards (\$55,000). Variance represents the PHA interest loan expenses as the payoff the loan.

Total budget revenues of \$4,102,734 versus total expenses of \$3,969,821 for an excess of revenues over expenses in 2023 of \$132,913 to be used for the major and special projects.

Major and Special Projects

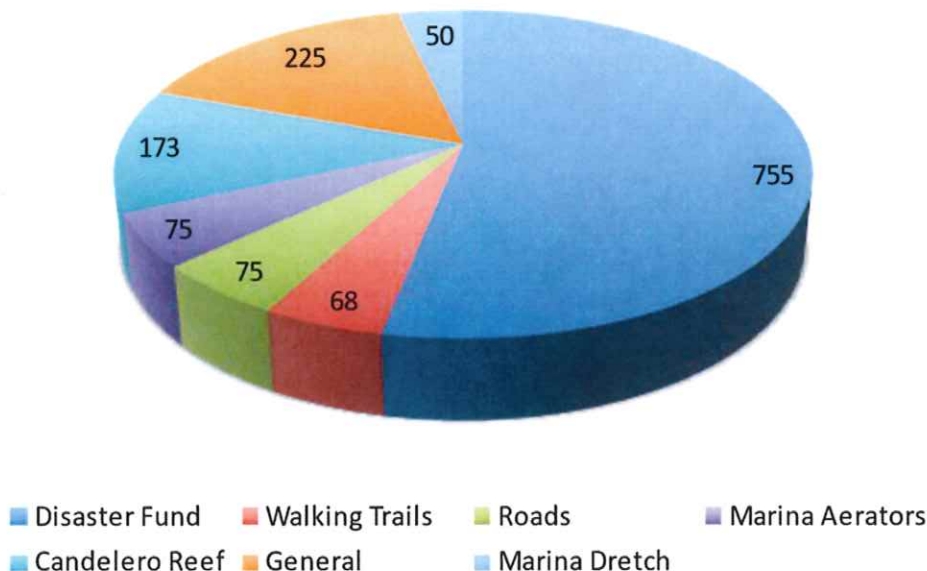
The amount of \$132,913 is transferred to the Major Repairs\Disaster fund to comply with the PHA Covenants. This fund was established and founded in 2021 in order to separate the funds from operating for the used of future major repairs and replacement of the common property and emergency/disaster situation like last year with Hurricane Fiona. The segregation is as follow:



Projects\ Major Repairs\Disaster

Thousands

Total of \$1,421



PHA manage its resources very carefully and within strict compliance of its budget. As positive note, last year the Association payoff the PHA Building loan. Management will continue to take advantage of any opportunities that will help improve the community and PHA’s overall financial position.

VIII. OTHER BUSINESS / OPEN FORUM

After the formal business part of the meeting, the Assembly adjourned for a short recess period. Following the recess, the President called the meeting to order again and opened the floor for members to bring forth any items they may wish to address before the Assembly. The President reminded the Assembly that, as established by the General Assembly, presenters were limited to no more than two (2) minutes and that only members in good standing were entitled to address the Assembly. The following significant items were brought up by the membership:

OPEN SESSION WITH RESIDENTS

Mr. Erasmo Reyes provided instructions and opened session:

Mrs. Gene Dowling – Beach Village 69 – Mrs. Dowling expressed to the PHA Board her concerns that the emergency tsunami alert cannot be heard at Beach Village and wonders if that can be addressed. Mr. José Quiñones explained that during the island wide drill it was identified that the siren was out of battery but had already been fixed. He added that there are two other areas where sirens need to be replaced and those are the one behind la Pescaderia and the other behind Beach Village and Solarea. PHA Executive Director explained that another test will be performed to determine if sirens need to be added or moved. He also explained that this is a State driven initiative in coalition h the Municipality of Humacao.

Mr. Brad Cohen – Shell Castle/Beach Village- Mr. Cohen explained that his wife and other people have been bitten by stray dogs and he is very concerned with this matter and believes it looks bad for Palmas. According to Mr. Cohen, Security was unable to do anything. Mr. Erasmo Reyes, PHA President, explained that PHA is doing all it can to deal with this problem. He also explained a motion has been approved to provide PAWS with \$25k in order to develop a facility to hold stray dogs.

Mr José Quiñones, PHA Executive Director explained that PHA has spent a big amount of money on the capture of that stray dog. He wants to be very humane in the treatment of this case. On Wednesday two guys with darts hit the dog but it went into the woods and they were unable to find her. Trappers are being very difficult to find and are very expensive. Mr. David Hurwitz explained that a full-time trapper is needed. This matter was discussed at the last Board meeting and it was approved [With a Final Decision placed on Stay”] pending consultation with PHA BOD Treasurer. Mrs. Lissette Rosado said she knows the dog and she walks with a walking stick to hit the ground to ward it off and also carries a mace in case she needs to use it.

Mrs. Tina McCline – Beach Village 221-222 – Mrs. McCline proposed that fines be imposed to dog owners who let them run loose. Mr. Quiñones explained that the issue being discussed is about stray dogs and not domestic dogs. However, the Board approved a PHA Pet Registry. Under the new policy, dogs need to be vaccinated, tagged and leashed. PHA needs the resources to establish the way this will be implemented. There will be fees for the registration process and fines if there are any transgressions.

Mr. David Hurwitz said that according to the Commonwealth of Puerto Rico Laws if you feed a dog you become the dog owner. Therefore you would be responsible and become liable for any damages the dog may cause to others.

Mrs. Mary Jo Espasas - Surfside 50 - Mrs. Espasas suggested that instead of PHA getting involved with dog problems, PHA should support the existing shelters. She doesn't believe it's a Palmas problem and that a new project shouldn't be started when entities such as PAW might need our financial support.

Mr. Jose Silva Cofresí - Isla San Miguel 28 – According to Mr. Cofresi the Slipowners Association [SOA] has a huge health problem in the inner marina. There is pestilence, people can't live there, it's almost unbearable, as the sargassum decomposes and kills fish, and deteriorates to the bottom of the marina. They believe that by paying the \$1k to PHA they have a right to have a remedy to their situation. Mr. Erasmo Reyes explained that

though the Marina is not PHA property and is privately owned, the PHA Board has been considering ways to help them. Next week there is a meeting with the President of the SOA to work alternatives to help the Marina with ways to prevent the sargassum from entering the channels. Mr. Cofresi offered a solution and proposes that PHA takes over SOA and manages the marina. He also explained that the roads sediment ends up landing in the Marina.

According to Mr. David Hurwitz, homeowners in Palmas del Mar pay around \$79 a month. If an increase of \$40 were to be implemented, more money can be allocated to help with important issues in the community, like potentially dredging the Marina. He admits this has not been consulted with the Board and that these are just his personal thoughts. Mr. Enrique Alejandro stated that SOA needs to make a more concrete proposal in order for PHA to be able to help and allocate funds for that purpose. PHA's Executive Director explained that there needs to be a concrete plan, well-laid out, so the budget can be allocated for SOA.

Mr. Cofresí insisted that PHA should take over the administration of SOA. Mrs. Mariel Figueroa assured him that his suggestion had been noted and would be discussed in a future meeting.

Mrs. Ivonne Cruz - Haciendas de Palmas – 213 – Mrs. Cruz expressed her concern about the lack of lighting on golf cart paths in the area of Aquabella and corner of Candelero Dr and Palmas Drive. She wanted to know the plans for that area. She complained about the noise coming from golf carts coming in and out of Sunrise and Palmas Drive. She mentioned there used to be a guard in that corner that helped with that issue and requested that a guard be placed in that corner once again. Mr. Erasmo Reyes explained that after Hurricane Maria, PHA acquired solar lights but they have been failing and new lights will be purchased. Mr. Quiñones stated that he is aware of the issue and will talk to our Head of Security to assign more security to this area. Mrs. Cruz said that the issue of the solar lights is lack of maintenance and they need to be checked very often. PHA Executive Director explained that there is a contract for maintenance of solar lights with Acosta Electrical. Some have been replaced already but the ones that need work will be taken care of soon. Mr. David Hurwitz reminded the community that a budget for 2023 was allocated.

Mr. Vincent Sharkey – Crescent Cove 99 – Mr. Sharkey mentioned that according to the Treasurers Report there was an excess of revenue over expenses of seven hundred thousand dollars in 2022 and \$1.4M in reserve. He said he agreed with Mr. Cofresi about the huge problem that sargassum is causing in the marina and that even though he doesn't live there PHA should do whatever it can do to mitigate the problem but not at the expense of sargassum mitigation on the beach. He claimed that he used to walk at the beach everyday but now its impossible because of the amount of accumulated sargassum and he hasn't seen any efforts to clean it up. According to Mr. Sharkey the beach is a very important resource in Palmas del Mar and should be better taken care of.

Mr. Sharkey also mentioned that PDMPI had a permit from the Army Corps of Engineers to build a structure at Candelero Point to mitigate the beach erosion. That permit since Palmas del Mar Properties sold the property that permit was allowed to elapse. A few years ago he heard that FEMA had approved \$30 million to do some construction at the Candelero Point and questioned why there is no construction going on.

Regarding this issue, Mr. Erasmo Reyes, PHA President explained that due to Hurricane Maria, FEMA gave money for improvements and assistance. He informed the community that \$1.1 have been assigned to begin the process of planning the project (Phase 1). PHA is currently working on obtaining the rest of the 30M. Mr. David Hurwitz explained that the process of obtaining FEMA funds is maddeningly slow.

Mr. Sharkey expressed his frustration because he keeps hearing the same thing for years and nothing is happening and meanwhile the beach erosion continues to worsen.

Mr. Jerry Wright -Marbella Club 543- Mr. Wright stated that there have been some security incidents in Marbella during the past months. However, he recognized how hard the PHA Executive Director has been working on the issue. Mr. Quiñones recognized the presence of Mr. Miguel Velazquez (Head of Security) and explained that new cameras and other technology to improve security have been installed. He stated that PHA needs the help of all homeowners, and that the main and back gates will be a lot more regulated. He encouraged homeowners to register their cars and purchase their AVI cards. With the new security system, the guard/contractor interactions will be very limited for the safety of the guards.

Mr. Wright thanked the Executive Director for his work, but wondered how the regimes can help PHA to revamp up security. Mr. Quiñones stated that security starts at home, but then it goes to regimes. They need better fencing, holding their security vendor accountable for whatever happens in their regimes. PHA will protect everyone in common areas, but the regimes need to do their part as well. PHA is looking to increase the budget for security this year. Mr. Erasmo Reyes said that PHA participation with specific regimes, has been done in the past and can be done again. PHA Head of Security is willing to visit regimes, do assessments and help the regimes come up with better plans to increase the efficiency of security.

Mr. Wright mentioned that he had read in the news that the Government of Puerto Rico had declared a State of Emergency due to beach erosion. Mr. Erasmo Reyes informed that PHA already knew about it and that the PHA Executive Director immediately went to the Municipality of Humacao to find out how PHA could benefit from this declaration. Mr. Wright wondered if the regimes need to work together with PHA for the beach erosion issue. As per PHA Executive Director, although the Coastal Zone belongs to the Municipality of Humacao, PHA will be the lead entity in which our coastal zone will be maintained. PHA will work together with the DRNA, the Municipality of Humacao and other entities. It is challenging, but meetings have been successful. Sand taken from the river will be dried out and used to replenish the beach that will be determined due to need. All with due permits.

Mr. Fdojor Agranat- Villa Franca 2 # 7 – Mr. Agranat stated that to his understanding the PHA budget is running a bit tight and wanted to know how an increase can be implemented. Mr. Erasmo Reyes explained that the Board is waiting for an analysis on how the fees are to be increased. Mr. Agranat also wanted to know if there is an ordinance in Palmas that prohibits homeowners from being at the beach after dark. Mr. Quiñones explained there isn't one in Palmas, but there is a regulation he will try to obtain. Mrs. Amarylis Alsina from

Haciendas de Palmas clarified that there are federal regulations that prevents any activities during the night due to the turtles' nesting sites. Mr. Agranat questioned if it was true that anyone can come into Palmas if they say they're going to the beach or to another place. He inquired how can we stay safe. Mr. Quiñones explained that with better cameras cars can be identified and with the pass system we make sure they are in the areas they said they would go to.

Mr. William Geider, Crescent Beach 126 – Mr. Geider proposed a 25% increase on assessments for the use of safety, health and quality of life improvements.

Mr. Jorge Alvarez, Palmas Plantation 147 – Mr. Alvarez asked who is accountable for monitoring the hurricane shutters that are still closed after hurricane season. PHA Executive Director explained that the PHA-ARB is supposed to handle that. A new inspector has been hired to assist the ARB with these issues. But the regimes have their bylaws and standards that can help with this purpose. Still the main responsibility lies in the owner itself. Mr. Alvarez pointed out that he has seen a few cars owned by homeowners that seem abandoned or are in disrepair and inquired what can be done.

PHA Executive Director said he will do an ocular inspection with Mr. Velazquez. He wants to do a "trouble ticket" online so our residents can let us know of any incidents so they can mainstream their concerns. Mr. Alvarez also mentioned that at last year's meeting he requested PDMPI to update the community on the development of land in Palmas del Mar and inquired about the status of Guayanes, Town Center, Microgrid, etc.

Mr. David Hurwitz explained that there are things that he can't say publicly yet. That there are a lot of issues with permits and financing and NDA's have been signed. He promised to update everyone as soon as there is more information. He explained that the Town Center property was sold to a developer, and PDMPI has no involvement over it. Breaking ground is expected to be during the summer, but he is not optimistic about the timeline. He also explained that one of the things that was agreed at the last Board Meeting was that the majority of the ARB BOD will be elected by the community. He informed that there is a community working on that transition and that quarterly forums will be held.

The PHA Executive Director commended the presence of so many Delegates, as it is an improvement over last year's attendance. He reminded everyone of the importance of them being a part of this procedures. The Executive Director requested from all present more involvement within their respective Regimes Board of Directors to shape their areas.

Mr. Lexy Sanchez - Crescent Cove 75 – Mrs. Sánchez said at the Town Hall meeting, the ARB was mentioned but also the Delegates. She wants the opportunity to continue working together. Mrs. Mariel Figueroa explained that at the Board meeting it was decided that PHA will work closer together to the Delegates and that the monthly meetings will start taking place once again.

Mr. Gaby Espasas explained that the ARB maintains an independence from PHA and works with the Planning Board of Puerto Rico. He said that the Board has to be very careful with the way it proceeds.

Mr. Tom Dyal, Crescent Cove 74 – Mr. Dyal mentioned that he had seen an article about alligators and wondered what had happened with those.

PHA Executive Director explained that Sunrise was cleaning their sedimentation channel and informed that they had noticed three small alligators in the water. PHA contacted the “Caiman Brothers” to help find the alligators, but there has been no sighting of them since.

Mr. Enrique Toro, Haciendas 213- Mr. Toro congratulated the PHA Board of Directors for the pro bono work it does. He also mentioned the noise factor created by the cars coming into Palmas del Mar and asked if Palmas has a noise regulation. He said that at Ocean Park noise meters were placed to record how many times the noise level had reached illegal levels. If that can be placed in Palmas, fines can be given to transgressors.

PHA Executive Director explained that PHA is working with the Municipality of Humacao to try to solve this issue. He also explained about the cameras in Palmas and the communications between them. He informed that more surveillance and patrols are being done by Municipal and State Police Units.

Mr. Rey Mendez, Fairlakes 672 – Mr. Méndez stated that rocks were brought to decorate Palmas, but they are different shapes and colors and do not look uniform. His concern is about the aesthetics of Palmas del Mar. Also, he said that golf carts should be required to have a litter bag because most trash comes from golf carts.

Mr. Jeffrey Richmond – Crescent Cove 75 – Mr. Richmond said he is in favor of an increase in dues. He inquired if there were any other efforts to increase revenues. Mr. David Hurwitz explained that different annual dues are being set up for short term rental properties and for pets’ registration.

Mrs. Joyce Sharky, Crescent Cove 99 – Mrs. Sharkey requested more information on what to do if confronted with a situation where she had to defend herself from an aggressive wild dog. She wants more information sent out to the community on what to do under that scenario. Mr. Erasmo Reyes assured Mrs. Sharkey her request had been noted.

Mrs. Rebecca Yu, Palmas Plantation 63 – Mrs. Yu asked how fines were enforced. Mr. Erasmo Reyes explained that each fine is attached to the property so they will be collected when annual dues are payed.

Mrs. Ketherine Grey, Costa Verde 17 – Mrs. Grey thanked the PHA Executive Director for all the work he has done. She then proceeded to ask if any action is being taken on the parking around Palmanova Plaza which is sometimes hard to get into in a car or golf car. Her other question was if there were plans to streamline communications from PHA.

Mr. Erasmo Reyes explained that PHA doesn’t have the ability to expand the parking facilities and that PHA is evaluating the possibility of purchasing a lot for this purpose but it

is costly. PHA Executive Director explained that a committee is being created to work with the communication issue and that a PHA app will be developed for the community.

Mrs. Julie Bagshaw, Shell Castle Club 84 – Mrs. Bagshaw said that there is a lot near her house that is very messy and not taken care of. The owner has been fined, but the person still does not do anything. She mentioned that there are other green areas that are not being taken care of also. Mrs. Frances Olivieri, PHA Director, said that homeowners must be wary about their green areas and help take care of them.

Mr. Matt Newman – Aquabella and Mare Sereno 7239 – Mr. Newman asked what percentage of homeowners are in arrears or do not pay their annual dues. PHA Executive Director explained that PHA has a legal collection department that handles morose payers and that he estimates it would be around a 5 to 10 percent of the homeowners.

Regarding the ARB, Mr. Newman inquired why everything has to go to the ARB Board for approval. He believes that projects can be categorized and permits can be expedited. He stated that the ARB Board must meet more often and that approvals should not take more than 10 days.

Mr. Gabriel Espasas, PHA ARB Director said that the ARB has 45 days to approve any project. Once that period of time has elapsed, the project is considered approved. He also explained that some projects require the regimes approval to comply with their regulations and that delays are sometimes due to projects missing documents and not being complete.

QUESTIONS ASKED VIA ZOOM

Michael Weiden -How is sargassum disposed of after it is cleaned up? If it is just trash, it must be a major expense to haul away. Any opportunity to recycle to reduce cost? What is being done to improve ambulance response time? It is dangerously slow. PHA should consider a monthly newsletter to communicate their activities Homeowners need to hear from you more than once a year. Better communication will increase appreciation of all that you do.

Blanca Morales- Two weeks ago I witnessed these young kids driving golf carts almost causing accidents.

Francisco Lasanta- Cuando y quien va a realizar el sistema de fibra óptica?

PHA Executive Director informed the community that a company will be hired for emergency services that will also coordinate ambulances on special events only. Cost of emergency services 24/7/365 to Palmas del Mar was quoted at \$50k/month service which is prohibitive.

IX. ADJOURN

The PHA General Assembly adjourned at 12:07 pm.



**MINUTES OF THE PALMAS DEL MAR HOMEOWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS ORGANIZATIONAL MEETING
APRIL 15, 2023**

Following the Annual Meeting the PHA Board of Directors convened at the Palmas del Mar Homeowners Association (PHA) at 12:30 p.m. to elect the PHA Officers and the PHA Executive Committee members for 2023 and to ratify term expiration dates for the PHA Board “Class B” Directors.

I. Members Present:

Class A

*David Hurwitz
Gabriel Espasas
Mariel Figueroa
Robert Lowry*

Class B

*Erasmus Reyes
Jorge Manrique
Frances Olivieri
Fernando Sosa
Enrique Alejandro
Jorge Suárez
Antonio García
Ricardo Casillas*

Members Excused:

Miguel Santiago

Others Present

José Quiñones

II. Election of PHA Officers

In accordance with the PHA Covenants and the procedures established by the PHA Board of Directors, members of the Board as well as newly elected Directors were consulted about their intent to run for the election of an officer position within the PHA Board. The officers (President, Vice-President, Treasurer and Secretary) are elected by the members of the Board at the organization meeting that takes place immediately after the Annual Meeting.

Upon completion of the election process , the PHA Board of Directors ratified the election of the following officers for 2023:

President	Mr. Erasmo Reyes
Vice-President	Mr. Fernando Sosa
Secretary	Mrs. Mariel Figueroa
Treasurer	Mr. Enrique Alejandro
Class A Director	Mr. David Hurwitz

III. Designation of Executive Committee

In accordance with Article 61 of the PHA By-Laws upon a motion by Mr. Ricardo Casillas seconded by Mr. Robert Lowry, the PHA Board of Directors passed a resolution ratifying the election of following Directors as members of the PHA Executive Committee which shall have and may exercise the powers of the Board of Directors in the management and oversight of the business and affairs of the Association.

*Erasmio Reyes
Fernando Sosa
Enrique Alejandro
Mariel Figueroa
David Hurwitz*

IV. Adjourn

The PHA Board of Directors organizational meeting adjourned at 12:51p.m.

Respectfully submitted.



Mariel Figueroa
Secretary