

COUNTRY PLACE CONDOMINIUM ASSOCIATION, INC.

Annual Meeting- December 6, 2023

Call to Order: **6:00 PM**
By President Rebish:

Welcome Message- 6:05 PM

Administrators Report 6:15 pm

- Financial Report - Summary Report
- Replacement Report
- Approved- 2024 Budget Report
- Tree Removal
- Snow Removal 2024 season

The uncontested directors shall continue to serve past the expiration of their term until a successor is elected at an election in the future.

They are Stewart Gladstone, Joie Bottino, Kevin Flannigan. The vacant seat available has been filled by Amy Druding who nominated herself. Directors shall serve 4 years.

PUBLIC PORTION- (limit to one question per person, max 3 minutes). **6:35 PM**

ADJOURNMENT 7:00 PM

Holiday Social: REFRESHMENTS SERVED at 7:00 PM.

Country Place BUDGET PROFIT & LOSS FORMAT

Fiscal Year 2024

Total

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
INTS													
VE													
1 - Maintenance Fees	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$35,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$432,000.00
1 - Replacement Res Fees	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
1 - Utility Charges	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$15,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$192,000.00
Sub Total Income	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$720,000.00
USES													
1 - Water	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$7,750.00	\$93,000.00
1 - Sewer	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$5,916.67	\$71,000.00
1 - Gas	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$1,300.00
1 - Electric	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$2,333.33	\$28,000.00
1 - Recreation Facilities	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$2,083.33	\$25,000.00
1 - Auto Expenses	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3,000.00
1 - Replacements	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$1,233.33	\$14,800.00
1 - Maintenance Exp	\$666.67	\$666.67	\$666.67	\$666.67	\$666.67	\$666.67	\$666.67	\$666.67	\$666.67	\$666.67	\$666.67	\$666.67	\$8,000.00
1 - Snow Removal	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$833.33	\$10,000.00
1 - Sprinklers	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$2,500.00
1 - Lawn Care & Supplies	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$2,666.67	\$32,000.00
1 - Misc. Expense	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33	\$2,500.00
1 - Bank Charges	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$300.00
1 - Property Taxes	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$916.67	\$11,000.00
1 - Insurance	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$10,416.67	\$125,000.00
1 - Accounting Fees	\$366.67	\$366.67	\$366.67	\$366.67	\$366.67	\$366.67	\$366.67	\$366.67	\$366.67	\$366.67	\$366.67	\$366.67	\$4,400.00
1 - Legal Expense	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$5,000.00
1 - General Net Payroll	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$120,000.00
1 - Slmp Contributions	\$191.67	\$191.67	\$191.67	\$191.67	\$191.67	\$191.67	\$191.67	\$191.67	\$191.67	\$191.67	\$191.67	\$191.67	\$2,300.00
1 - State/Fed Taxes	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$30,000.00
1 - Corp Taxes	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
1 - Office Supplies & Printing	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$2,000.00
1 - Office Equipment	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$166.67	\$2,000.00
1 - Security	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$108.33	\$1,300.00
1 - Meetings	\$41.67	\$41.67	\$41.67	\$41.67	\$41.67	\$41.67	\$41.67	\$41.67	\$41.67	\$41.67	\$41.67	\$41.67	\$500.00
1 - Dues/Subscriptions	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
- Postage	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33	\$1,000.00
- Communications	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$425.00	\$5,100.00
- Reserve Account	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
- Bad Debt	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$5,000.00
Sub Total Expense	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$60,000.01	\$720,000.00

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COMMUNITY ASSOCIATIONS INSURANCE NOTICE: FYI

We want you to be aware of changes in the marketplace which are continuing to increase insurance costs, so that you can make necessary adjustments to your budgets ahead of time.

The information in this email is generalized. Increased insurance fees cause increased homeowner fees!

On average we are currently seeing 5%-10% increases in building values, which is trending down slightly from what we've seen over the past 2 years. On top of increased replacement costs, we are seeing the following average rate increases:

Commercial Auto: 9%

Directors & Officers Liability: 7%

General Liability: 9%

Property: 16%

Umbrella: 50% or higher

Properties experiencing the highest increases:

- Coastal Catastrophe Exposed Communities (wind, water, etc.)
- Communities with Large Wood Frame Structures (over \$4mil per structure)
- Communities with frequent or large claims
- Communities with building defects or issues (e. older roofs, Federal Pacific Panels, troublesome plumbing, etc...)
- Communities currently insured through the Excess/Surplus Insurance Market

I've included some additional information below, regarding what is driving up property and umbrella costs.

PROPERTY INCREASES

There are several factors currently affecting property rates:

1. **Increased Catastrophe Losses:** Over the past five years, natural catastrophes (hurricanes, wildfires, tornados, winter storms) have averaged global losses of \$100 billion. In 2022 alone, there were 18 weather or climate-related events in the U.S. with losses exceeding \$1 billion each with total losses of \$160 billion. The top 10 costliest natural catastrophes in the United States occurred between 1992-2022, with 5 of the 10 occurring just within the past 6 years. The recent Maui fire, which destroyed 3,000 homes and businesses, is expected to be a \$6 billion event. Hurricane Hillary, which made landfall on August 19, 2023, is the first hurricane to hit the west coast since 1939, and some areas in and around Palm Springs received 50% of their yearly rainfall in less than a day. Catastrophe losses for the first two quarters of 2023 were the highest we've seen in over two decades, and they are slightly higher than the previous record set during the first two quarters of

2021. This is a concerning trend that does not seem to be improving. While catastrophe losses may not have impacted your area directly, they still impact the overall industry, which then affects the cost and availability of insurance throughout the marketplace.

2. **Housing and Labor Costs:** Increases in the costs of building materials and skilled labor are leading to higher repair and replacement costs for damaged property. This in turn increases the costs of property claims.
3. **Decreased Capacity:** Many insurance companies have decreased the total building values they are willing to write in certain regions, to reduce their overall exposure to catastrophic events. Others have stopped writing altogether in certain counties or states or closed their programs down completely. This decreases competition, allowing carriers to be pickier about which accounts they want to write and charge higher rates.

UMBRELLA INCREASES

Umbrella/Excess liability rates had remained flat for more than a decade but started increasing in 2020. The primary driving factor behind the increase is higher-value jury awards (nuclear judgements). Judgement amounts have more than tripled in the past few years. According to a State of the Market report for the 2nd quarter of 2020, "at the previous rates, carriers would have needed to write accounts for 100 years claim-free in order to make up for one limit loss."

As part of the industry response, Umbrella and Excess Liability carriers have tightened their underwriting guidelines, decreased their capacity, increased the Insured's retentions, increased pricing and in some cases pulled themselves out of the market entirely. Many umbrella programs have collapsed, making it difficult to obtain coverage. Some programs exclude Directors & Officers Liability coverage or capping that excess coverage at a lower limit than the full excess liability limit being provided.

There are very few remaining umbrella programs in place for community associations that are offering \$5,000,000 to \$50,000,000 limits, and they are all passing similar rate increases. We've seen premiums increase by 50% or more yearly over the past two years, and many carriers are now either capping their available limit at \$5,000,000, or they will only provide coverage excess another carrier's \$5, \$10, or \$15 million limit. Rate increases are even higher for older and non-sprinklered buildings.

Many Umbrella programs are now charging an average of \$1,000 per \$1,000,000 in coverage.

WHAT TO EXPECT

Your insurance rates are based on property values, liability exposure and your claims history. Changes in any one of those items will influence the price of your insurance.

Some of the factors affecting your insurance rates are out of your control, such as your location, the age of the buildings, the type of construction, the number of units, etc.

Proper building valuation is critical, to ensure you have appropriate coverage in the event of a loss and you are not underinsured. As carriers calculate building replacement costs in 2023, we expect to continue to see increases in replacement costs, although those increases are starting to level off.

Deductible increases are also becoming more common, particularly for accounts that are in coastal areas or have a history of property claims.