

**PHA BOARD MEETING  
NOVEMBER 16, 2007  
MINUTES**

**Members Present**

Julio Bagué  
Jaime Morgan-Stubbe  
Edd Siler  
Félix Santoni  
Luis Rodríguez  
Walter Fournier  
Rita Molinelli  
Raúl Rivera

**Others Present**

Antonio Maldonado  
Shirley Morales  
Daisy Díaz  
Alfonso Lozada  
Angel Serrano  
Roberto Moscoso  
Diego Vidal  
Esteban Santiago  
Magda O' Farrill

**Members Absent/Excused**

Manuel Morales, Jr.  
Victor Nieto  
Servando Díaz  
Daniel Vasse

**I. CALL TO ORDER**

Mr. Julio Bagué, President, called the meeting to order at 8:43 a.m. Mr. Bagué informed the Board that Mr. Salvador Ramos has submitted his resignation as a member of the PHA Board of Directors. Mr. Ramos has accepted a position with Caribbean Properties Group and will no longer be with Palmas Del Mar Properties Inc (PDMPI). PHA has accepted his resignation. The Board will sorely miss Mr. Ramos as he did an outstanding job as Treasurer of PHA for several years and is a man of work and honor. We wish him well in his new endeavors.

Furthermore, Mr. Bagué reminded the Board that this is a special PHA Board meeting convened for the review and approval of the 2008 PHA budget and to hear insurance proposals as agreed upon at the last Board meeting.

**II. APPROVAL OF MINUTES**

The minutes of the October 12, 2007 meeting were not approved pending inclusion in such minutes of the statement made by Mr. Edd Siler following Mr. Antonio

Maldonado's presentation regarding the "Background of South District Control Point", which appears on page 7-10 of the minutes. The October 12, 2007 minutes will be resubmitted presented again for PHA Board approval at the January 2008 meeting reflecting Mr. Siler's comments.

### **III. 2008 PHA BUDGET**

Mr. Antonio Maldonado, PHA Executive Director, gave a comprehensive presentation detailing all items included in the 2008 PHA Budget. This budget was elaborated with the participation of the PHA Budget Committee consisting of Mr. Julio Bagué, Mr. Salvador Ramos, Mr. Victor Nieto, Mrs. Shirley Morales, Mr. Alex De Jesús and Mr. Antonio Maldonado.

Mr. Maldonado underscored the significant impact items on the 2008 Budget which include the upgrade in security services, the PHA building loan interests, the increase in the minimum federal wage and Christmas bonuses, the commitment to restore the tropical forest Boardwalk and the new Teen Center operations. The 2008 Budget contemplates excess revenues of \$44,335 which added to the prior year surplus give a total of \$420,159 for capital and special projects and major emergencies. Capital and special projects being considered include repaving, cart path construction, construction of the community Children Park, forest restoration and general projects.

The 2008 Budget does not contemplate an increase in assessments. A 2.5 percent discount will be offered to homeowners paying their assessments before January 31, 2008. A 10% penalty is charged to accounts in arrears and, in addition, a 25 to 33 percent legal expense charge is considered for collection cases referred to the attorneys. The projected revenues for 2008 reached \$3,194,154 net of the 2 ½ % discount. Significant variances in revenues include an increase in individual assessments by \$103,000 corresponding to the new residential units that were added to the PHA homeowners' inventory in 2007, PDMPI contribution of \$50,000 for the construction of the community children's park and a decrease in the bank interest earnings resulting from the closure of the PHA Building construction Certificate of Deposits.

The operating expenses projected for 2008 are \$3,140,018 which represent an increase in expenses of \$300,527 over year-end 2007 projection. The most significant variances in expenses include : (1) the new security contract that is \$226,000 over the previous contract, (2) the Teen Center operations (\$22,000), (3) general maintenance (\$51,000) and (4) PHA building loan interest (\$93,714).

Following Mr. Maldonado's budget presentation, the PHA Board of Directors unanimously approved the 2008 Budget upon a motion by Mrs. Rita Molinelli seconded by Mr. Raúl Rivera. A copy of Mr. Maldonado's presentation and a copy of the budget as approved by the PHA Board are included with the original record copy of the minutes on file at PHA.

Upon conclusion of the budget presentation and approval, Mr. Raúl Rivera made a motion requesting that the PHA Board looks into the situation of slip owners who are not property owners however enjoy the privileges and services of the homeowners association without paying any assessments. Mr. Rivera requested PHA to explore bringing those slip owners under the PHA umbrella as paying members of the Association. The study should apply to existing marina slips not attached to a specific property and to the new slips being built in the Outer Marina.

Mr. Jaime Morgan cautions that to enforce the PHA Covenants you need encumbered land and there may be legal impediments that prevent the Association from assessing the Marina slips.

The PHA Board members without objections approved Mr. Rivera's motion seconded by Mr. Walter Fournier.

### **III. PHA INSURANCE PROGRAM**

As recommended by the PHA Insurance Committee, three insurance brokers to include PHA's current broker were asked to make a presentation before the PHA Board. Presentations were to focus on why they should be contracted to manage PHA insurance program and to present insurance coverage proposals to meet PHA insurance requirements. The three (3) companies invited to make proposals included Marsh Saldaña (current PHA insurance broker), Vidal & Rodríguez and AON Corporation.

Marsh Saldaña was represented by Mr. Alfonso Lozada, Mr. Roberto Moscoso and Mr. Angel Serrano represented Marsh Saldaña. Mr. Diego Vidal and Mr. Esteban Santiago represented Vidal & Rodríguez. Mrs. Magda O'Farrill represented AON.

Each of the presenters provided detailed information outlining their company capability to service the PHA insurance account. Marsh Saldaña and Vidal & Rodríguez both provided premium quotations for coverage of the PHA program. AON did not include premium proposals.

Following the presentations, the PHA Board tasked the PHA Insurance Committee to reconvene and review the information and proposals presented. Once this analysis is complete, the Committee should forward its recommendations to the PHA Board for final approval. Board approval should be obtained by a voting resolution via email to insure a decision is reached on a timely basis.

### **IV. ADJOURN**

The PHA Board of Directors adjourned at 11:45 am upon a motion by Mr. Walter Fournier seconded by Mr. Félix Santoni.