

Highlands at Ocean Point Condominium Association
Board of Trustees Meeting
November 22, 2016
Unit 2910

Attendance: Emily Gallup (Acting Chair), Helen Jones (Secretary), Gary Gersten (Treasurer).
Maintenance Coordinator Tony Baldwin.

Absent: Lesley Pitts, Pam Claughton.

Observers: Rita Potocsky, Andrea Swart, Carol Gregorio, Nancy Carini, Mal Marvill.

At a regular meeting of the Highlands at Ocean Point Board of Trustees, held in Unit 2910, on Tuesday evening, November 22, 2016, a quorum of Trustees being present, the Chair called the meeting to order at 6:05.

No Board actions taken in this meeting; the vote on the Budget was deferred to email so that all five Trustees will have the opportunity to vote.

The draft budget presented at this meeting was subsequently passed by the Trustees by unanimous email vote on Nov. 26, 2016, at which point it became final.

1. The Chair opened the meeting with a brief reminder that observers are requested to hold questions and comments until the portion of the meeting set aside for that purpose, in order to allow the Trustees to conduct their business.

REPORTS

2. The first order of business was the Treasurer's report. Treasurer distributed a one-page report, with a 2016 budget update through the end of October and overview of bank balances as of 10/31/16.

The Treasurer's report indicated that, exclusive of proceeds and distributions related to the insurance claims, we are spending within 1% of projected budget overall, with overages in administration/professional fees and maintenance offset by underspending in utilities and special projects. Reserves contributions are up-to-date, and we have not borrowed against reserves this year. We currently have \$200,538.86 in reserve accounts. Depending on the outcome of the insurance claims, we could end up overspending by \$27,725 due to the expense of having hired a public adjuster.

3. The next order of business was a presentation of the 2017 Highlands and OPMT budgets. The Treasurer distributed a 3-page Treasurer's Recap of the Last 18 Months. (*Attached*) After reviewing the budget process undertaken last year, resulting in an 11% increase in the budget, and therefore, in condo fees, the overview addressed the 2017 budget. Beginning with the OPMT budget, the Treasurer reported that, after its budget meetings and significant discussion, the OPMT Board has passed a budget for 2017 that is \$15,000 lower than its 2016 budget. It achieved this savings by offsetting increased costs in onsite property management, insurance, contract labor and landscaping with reductions to planned expenditures for the wastewater treatment plant, pool, beach, and tennis court. This resulted in a reduction of \$8,761 to the Highlands budget (58.41% of \$15,000).

This reduction in our OPMT dues will allow the Highlands budget to remain close to level by offsetting increased costs in Highlands onsite property management, contract labor, legal fees, lawn maintenance and sprinkler maintenance, with this \$8,761 reduction to OPMT fees, and additional reductions to special projects and electricity. The final 2017 budget comes in at \$427,364, just

\$1,629 over our 2016 budget. The Treasurer is confident that we can trim that amount and is therefore recommending that the assessment for 2017 remain level, meaning no increase in condo fees for 2017. (2017 budget attached) Note: The budget presented at this meeting was subsequently passed by the Trustees by unanimous email vote on Nov. 26, 2016, at which point it became final.)

4. At this point, the Chair opened the floor to comments and observer questions and comments on the budget.
 - Q. Why is 2016 income through October showing lower than budgeted? Are there other sources of income besides condo fees, or has someone not paid their condo fee?
 - A. There are no other sources of income. There are a few payments for condo fees that come in late.
 - C. An owner commented that she really appreciates all the work that has gone into this year's budget.
 - C. Another owner concurred, noting that the Treasurer really knows what he's talking about, and fully explains matters to the owners.

There being no other comments or questions on the budget, the Chair moved on to the next order of business.

5. The next order of business was an update on update on insurance claims.

Buildings 24, 29 and 30: The Treasurer reported that the last unit, 3006 is currently being winterized. Unit 3010 is still an open claim. The Treasurer noted that the Association could end up paying for the services of the public adjuster, approximately \$27,725, and not being able to recoup that money from insurance proceeds.

Building 4: The insurance claim is significantly less than the contractor's repair estimate, especially for the unit most significantly damaged. The main difference is that the insurance estimate did not include any drywall cut out and replacement. Further discussion specific to individual units was deferred to executive session.

6. The next order of business was the Property Manager's report.

- a. The first item was a follow up discussion of certain items in the Property Manager's monthly report, previously submitted to the Board.
 - i. *Heaters:* Earle has completed an inventory of all hallway heaters for future reference, and a checklist of their current condition. Six heaters were found to be nonworking, one in building 24 and five in building 4. All other heaters in all buildings are working. Earle will install new heaters where needed.
 - ii. *Sprinkler companies' assessments of our current system:* As requested by the Board, Baldwin RG has contracted with a new company for 2017 maintenance of the system, Yankee Sprinklers. Yankee is coming out Monday Nov. 28, and will go through all 5 buildings to test the antifreeze in preparation for winter. If any building fails, we will get a quote based on the number of gallons of antifreeze used in that building.

This will be the second assessment of our sprinkler system. [As reported in August, Tony Baldwin spoke to the owner of Fire Sprinkler Systems, who advised that weeping can be handled, and that sprinkler heads can be replaced when they leak. She reminded us that the severe freeze last February was unusual, and that the key is keeping the antifreeze levels balanced.]

Tony talked for some time by phone with a third company, Mik Ron Fire Protection; they were scheduled to come out in October but never showed.

- iii. *Conversation with landscaping company regarding 2017 contract:* As requested by the Board, BRG spoke with George Egan to go over the services the Highlands wants and offer to increase the contract accordingly. Our proposal was accepted, and in 2017 the contact with Egan will include additional mowings, weeding, and spring and fall plantings at the entrance sign.
- iv. *Follow up with new cleaning company:* Prior to the meeting, Trustee Pitts had noted that she sees no evidence of cleaning in building 29 in the last month, and that it looks worse than before. Trustee Gerstein concurred that some areas in building 29 don't look as if they've been cleaned. Trustees noted that if we knew what day the cleaners come, we could better monitor the thoroughness of the cleaning performed. Tony Baldwin agreed to find out when the cleaners come and make the cleaning schedule public to owners.

It was noted during the discussion that, because twelve units share a single common entrance and the resulting very heavy traffic, building 4 may need to be done biweekly instead of monthly. It was also noted that common area windowsills are stained and will not come clean; they need to be repainted.

Action Item: BRG to acquire and make public the cleaning schedule for each area cleaned.

- b. Building ambassadors and onsite presence update: Tony Baldwin noted that building ambassadors (as proposed at the October 17 BOT meeting) have been identified for building 4 (Tom and Marie Young and building 30 (Rita Potocsky). Tony proposed sending an email to owners and residents of those 2 buildings to let them know who their building ambassadors are, and another email to owners and residents in all buildings to explain the purpose of the building ambassador and solicit volunteers from the other 3 buildings.

Action Item: BRG to send an email to all owners and tenants explaining the purpose of building ambassadors, and to buildings 4 and 30 notifying owners and tenants who their ambassadors are.

- 7. The next order of business was an update on negotiations with Kingston Propane. In Pam Claughton's absence, Gary Gersten shared that he has learned from discussions with representatives from The Dunes that The Dunes has signed a one-year agreement with Kingston. Since our last information was that Kingston was reluctant to contract with the Dunes and the Highlands separately, this may be progress in our own attempt to pin down an offer from Kingston for the Highlands.
- 8. The next order of business was the Secretary's report. The Secretary reported that a fall 2016 newsletter went out on November 16 and had been posted to the website. All monthly balance sheets and income/expense reports received from Lorell have been posted; however, she has not yet received from Lorell the October reports. There is no outstanding correspondence. Minutes from June forward are still in draft form and need to be completed.
- 9. At this point, the Chair opened the floor to questions and comments from observers.
 - Q: Does the cleaning company wash the glass windows?
 - BRG: Not under the present contract; maybe we should budget for window cleaning one or two times a year.
 - Q: Is washing of the tile floors in their contract?
 - BRG: Not sure, but I will check.

- Q: It is Kingston Propane's \$12 monthly meter fee that has been the biggest concern; can that be negotiated?
- A: No. Kingston was very clear that that fee is mandated by their parent company, and that they do not have the power to negotiate it.
- C: The heater in the lobby of my building (20) was working yesterday, but today it is not. The heater in the main lobby of 2907, up the stairs, is blowing cold air.
- BRG: We will have Earle check it tomorrow.
- Q: Can we adjust the heat by turning the knobs?
- BRG: Please don't; they're set at the proper temperature to protect the pipes. Any heat at all protects the pipes. Turning the temperature up will increase our electric bill, already our second highest expense.
- C: An owner noted that she is impressed with everything that is being done around here, and the way the meetings are handled.

Action Items: BRG to have Earle check heaters in 2907 common areas. BRG to check as to whether washing the tile floors is in the cleaning contract and get back to Trustees on that.

At 7:20 p.m. There being no further questions or comments, the Chair announced that the Board would go into executive session and any remaining observers left the meeting.

The business of the Executive Session having been completed, the Chair adjourned the meeting at 9:37 p.m.

Respectfully submitted, Helen Jones, Secretary, December 17, 2016

Reviewed and deemed accurate by attending Trustees Gersten and Gallup in the absence of the Chair, December 18, 2016.