

**Highlands at Ocean Point Condominium Association
Board of Trustees Meeting
December 19, 2016
Unit 2910**

Attendance: Lesley Pitts (Chair), Helen Jones (Secretary), Gary Gersten (Treasurer), Pam Claughton, Emily Gallup. Onsite Property Manager Tony Baldwin.

Observers: Rita Potocsky and Andy Swart.

At a regular meeting of the Highlands at Ocean Point Board of Trustees, held in Unit 2910 on Monday evening, December 19, 2016, the Chair called the meeting to order at 6:05 p.m.

Summary of Board Actions Taken in the Meeting:

The Board voted to:

- **approve a \$413,922 (level) budget for 2017.**
- **accept Kingston Propane's offer of a one-year contract for a variable rate equal to \$1.70 over cost.**

1. The first order of business was the Treasurer's Report. The Treasurer distributed a one-page report dated 12/19/16, and highlighted that he has been monitoring spending very closely to get all 2016 bills paid by December, that reserves have been paid for every month, and that we have not had to borrow from reserves.

No Board action taken.

2. The next order of business was the 2017 Highlands budget. The Treasurer distributed a spreadsheet with a final proposed budget for 2017.

On the motion of the Treasurer, seconded, the Trustees voted unanimously to approve a proposed budget for 2017, totaling \$413,922. *[Note: On December 20, the Treasurer sent Trustees a final version of the budget that included minor adjustments, with no change to the bottom line. Trustees voted by email to approve that final budget on January 16.]*

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

Buildings 24, 29 and 30: The Treasurer distributed an overview of the status of the claim for the February sprinkler leaks. He reported that he will continue to work with adjuster Jeff Sabel to try to get all expenses covered.

Building 4: The Treasurer distributed an overview of the status of the claim for the May leak in building 4. He reported that we will need to work to get the claim increased to cover all the expenses.

No Board action taken.

4. The next order of business was a discussion of selected items from the Onsite Property Manager's report, previously submitted to the Board.

Unfinished window trim in rear stairwell building 24: Trustees discussed whether to hire an outside contractor to complete this window trim, and expand the contractor's scope to include all exterior siding work.

The Trustees decided to hold off on hiring a contractor to see whether Earle can get this done.

Building 4 – interior painting to improve look of common areas. The area that needs painting includes the downstairs hallway and all the way up the stairwells, including trim. We have a budget for painting; this work is in the budget.

Action Items: BRG to get a bid from Roland (Joe) Andrews to paint building 4 interior.

Status of replacement of flashing on unit 410 deck, sliders, doors and windows to prevent water problems below at 413, 408, and 412. BRG reported that Earle has purchased the materials and has started the job.

Action item: Secretary to send Tony and Shannon the report from Chris Murphy’s October 2015 inspection of the building 4 rear wall.

5. The next order of business was a discussion of Kingston Propane’s latest proposal and identification of next steps. Trustee Pam Claughton reported on her negotiations with Kingston Propane, and presented two options for the Board’s consideration:

Option 1: Buy the tanks that service the Highlands, “as is”, for \$11,687.50. We are advised that they should last another 10 to 15 years.

Option 2: Kingston has offered us a one-year contract for propane to be billed at a daily variable rate equal to \$1.70 over their cost, with no minimum purchase required. Compared with our current contract, we’re paying \$2.80 over cost now. The day she spoke to them \$1.70 over cost was \$2.50.

Discussion: The benefit of being able to shop around for propane is offset by concerns about managing the billing and collections, and liability. There was a recommendation that we accept Option 2, and a recommendation that we continue to investigate the possibility of buying our tanks in the future, when we have a plan for management and more information about liability.

On the motion of the Secretary, seconded, the Board voted unanimously to accept Kingston Propane’s offer of a one-year contract for a variable rate equal to \$1.70 over cost.

The Chair signed the agreement.

6. The next order of business was a discussion about HOA insurance for 2017. The Treasurer reported that the Association’s policy increased from \$44,000 in 2016 to \$69,000 for 2017, a \$25,000 increase. The increase is the result of the number of claims we have filed over recent years. He reported that Lorell said they tried to find us another provider, but was unsuccessful due to the difficulty finding insurance providers willing to cover condos on the water.

The Treasurer stated that the Dunes has a broker who suggested that he can write the Highlands a policy for half the price, and recommended inviting this broker to come to a Board meeting to talk with us. He also recommended inviting our current broker, HUB, in for a similar conversation. Trustees accepted these recommendations.

He also noted that, since we only budgeted \$52,600 for insurance this year, we will have to figure out where that additional money to cover the increase will come from.

No Board action taken.

Action Items:

- **Treasurer to invite the Dunes’ broker and HUB to a Board meeting.**
- **Tony Baldwin to get our policy from Lorell and inquire of other insurance companies.**

7. The next order of business was a discussion of owner responsibility for internal spigot damage.

At the October meeting, the Board took a vote regarding owner responsibility for spigots, but a majority of Trustees subsequently rescinded that vote via an email vote, pending further discussion of the issue and consultation with the Association’s attorney. Legal advice and review of the condo

documents clarified the issue sufficiently: If damage caused by a spigot is under \$10,000 deductible, the homeowner's HO6 policy pays; if it is over \$10,000, regardless of whose fault it is, the Association files a claim. No new vote on this issue is required.

No Board action taken.

8. The next order of business was the Secretary's report. The Secretary provided an update on the status of meeting minutes, the website, maintenance logs, and the newsletter.

Minutes: The secretary reported that minutes have been submitted for review and approval for July and August Owners Meetings, for Board meetings Aug 16, October 17, and November 22, and for closed Executive Sessions for the same dates.

Website:

- Once these minutes are approved and open sessions posted, the website will be up-to-date with meeting minutes.
- The financial section is up-to-date with reports received to date from Lorell; however, Lorell is behind in sending financial reports for October and November.
- Receipt of maintenance logs has been sporadic, and the need to reformat them for readability has resulted in some delays to posting. We're behind 2 months in posting. It is hoped that BRG will reformat them prior to sending them.

Newsletter: As reported last month, a fall newsletter went out on November 16, and is posted to the website

Correspondence: The notice of level condo fees did go out, but letters and information requested from Lorell on November 16 hasn't moved.

No Board action taken.

Action Items:

- **All Trustees to review and send responses on review of 7/25; and 8/16 owners meeting, open BOT meeting and executive session. Chair to review and approve.**
- **Emily to review and respond on minutes for 11/22; Chair to review and approve.**
- **Secretary to make edits as needed to all minutes and send for posting as soon as approved.**
- **Secretary to follow up with Lorell on correspondence requested Nov. 16 (unit 3012, alarms, and all residents, alarms).**
- **BRG to send details of Nov. 18-19 3012 incident re sprinkler company callout, to be forwarded to Lorell so they can write the letter.**

9. At this point, the Chair opened up the floor to questions and comments from observers.

Q: Why did Egan plow for the very minor snowfall followed by rain?

BRG: We are not sure; will follow up with Egan to find out why they plowed, and negotiate the cost for that day.

Q: When do the exterior lights go on? What triggers them?

BRG: Earle has to reset the lights. We will check to see whether new astrological timers have come in; if so they will have an electrician install them.

Action Items:

- **BRG to ask Egan why they plowed when the recent snowfall didn't warrant it, and negotiate payment for that day.**
- **BRG to have astrological light timers installed when they come in.**

At 7:45 p.m. There being no further questions or comments, the Chair announced that the Board would go into executive session and the observers left the meeting.

The business of the Executive Session having been completed, the Chair adjourned the meeting at 9:25 p.m.

Respectfully submitted, Helen Jones, Secretary, May 29, 2017

Approved, Lesley Pitts, Chair, May 31, 2017