**Highlands at Ocean Point Condominium Association**

**Board of Trustees Meeting**

**January 23, 2017**

**Unit 414**

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

**Guest:** Matthew Sweet, Account Executive, The Hilb Group of New England.

**Observers:** Rita Potocsky, Andrea Swart, Patt Steiner, Marie and Tom Young, Kristi Hunt, Mal Marvill; Latoya Johnson arrived in the course of the meeting.

At a regular meeting of the Highlands at Ocean Point Board of Trustees, held in Unit 414, on Monday evening, January 23, 2017, the Chair called the meeting to order at 6:02 p.m.

***Summary of Board Actions Taken in the Meeting:***

***The Board decided unanimously to:***

* Change insurance brokers, from HUB International to The Hilb Group.

The Chair welcomed observers and requested they hold their comments and questions for the period in the meeting set aside for that purpose, in order to allow the Trustees to conduct their business.

1. INSURANCE DISCUSSION

The first order of business was a discussion of our insurance costs. The Condo Association’s insurance policy cost us $52,600 in 2016. The Treasurer reported that Lorell Management has notified us that the quote we received for 2017 was increased by over $25,000, or approximately 50%. He has been looking around for a better rate, and through his service on the OPMT Board as well as the Highlands Board, he came into contact with Matthew Sweet, an insurance broker who is working with the Dunes. Mr. Sweet offered to conduct a comprehensive review of the Highlands insurance situation and meet with the Board to discuss our key coverages, our options, and his recommendations.

Accordingly, the Treasurer introduced guest Matthew Sweet, Account Executive from The Hilb Group of New England, who has been invited to join us to discuss our insurance needs.

Mr. Sweet noted that, given our claim history, he believes the increase to our rate is justified. We had a $400,000 claim in 2016 from the sprinkler breaks, and a $60,000 claim this year. He believes that our claim history puts us in danger of being dropped altogether or being placed into the surplus lines pool, in which case our costs would be another 40% to 50% higher still. Nevertheless, he believes he can get us a better deal by changing our deductible and then shopping around.

Mr. Sweet advises that the Association improve our situation by lessening the frequency of our claims, and thus making our policy more attractive to insurers, by increasing our deductible, from the current $10,000 per building, to $25,000 or even $50,000 per unit. Unit owners would need to increase their H06 policies accordingly to cover this increased deductible, at an estimated cost of $80 to $100 per owner. However, it could result in a $12,000 savings to the Association, which averages out to a savings of $160 per unit.

He also recommends that putting more responsibility on the individual homeowners, rather than on the collective association of owners, can help control Association insurance costs. He recommends that the condo docs include, if they do not already, requirements to check your boiler once a year, leave the heat on when you are away, and have adequate H06 insurance, and that our insurance policy include a vacancy clause. There will need to be a period of educating the homeowners on these issues.

Mr. Sweet needs to review our condo docs to determine whether these changes would require a resolution and a vote of the owners to amend our Declaration of Trust.

If we authorize him as our broker, he would go back to the market with this plan to shop for better rates for 2018. He recommends we finish out the year with Arbella, but that we should start the shopping process now, as it is a lot of work and will take time.

Proposed next steps: Turn over all policies to The Hilb Group/Mr. Sweet, close all open claims, get legal advice regarding our bylaws, raise deductibles, educate the owners, and get quotes for 2018.

*At this point, Mr. Sweet left the meeting.*

After brief discussion, the Board voted. **On the motion of the Secretary, seconded, the Board unanimously voted to replace HUB International with the Hilb Group as our sole insurance broker, effective immediately.**

The Treasurer will follow up with Mr. Sweet to notify him of the Board’s decision and ensure he has all the information he needs. The Treasurer will also notify HUB International, and transfer management of our policies to The Hilb Group.

1. REPORTS.
	1. FINANCIAL STATEMENT AND TREASURER REPORT

The next order of business was the Treasurer’s Report. The Treasurer reviewed a spreadsheet and passed out an overview of where we stand. Total assets are $294,302, including $47,114 from insurance. Total reserves are $206,941. Despite overspending in some areas (administrative/professional expenses and maintenance) and underspending in some (utilities), he reported that the budget is actually balanced. **No Board action taken.**

* 1. UPDATE ON INSURANCE CLAIMS

The next order of business was an update on insurance claims from the Treasurer and the Onsite Property Manager.

* + 1. *Buildings 24, 30 and 29.* The last unit, 3006, is moving along and should be completed in 4 to 6 weeks. At that point, we can go back to Arbella to request that they release the depreciation amounts held back. There is no guarantee.
		2. *Building 4.* A claim has been filed, and the Association was reimbursed $16,000, which is currently being spent. The cleanout alone cost $12,000.
		3. *Building 25.* The adjuster is expected to come out soon. Since no common areas were impacted, this should not impact the Association.

**No Board action taken.**

* 1. MAINTENANCE REPORT AND FOLLOW UPS

The next order of business was follow up on selected items from the Onsite Property Manager’s monthly report, submitted to the Board prior to the meeting, and items from prior Board meetings.

* + 1. Since the last meeting:
			1. *Discussion re quality of current cleaning company service:* Owners and Trustees are dissatisfied. Tony plans to discuss this with the vendor (James Murphy) on Thursday. The contract calls for each building to be cleaned once per month. Trustees and BRG believe that building 4, with its common entrance used by 12 units, needs more frequent cleaning in the winter. We have no signed contract with the cleaner yet.

**The Treasurer requested that each time they clean, they report the following day what they cleaned, and someone from BRG inspect it promptly. He noted that BRG, either Tony or Shannon, has to set the standard**.

* + - 1. *Discussion of ineffectiveness of current system of keeping owners informed re maintenance requests:* BRG reported that keeping up with the documentation required to keep owners informed represents a serious consumption of time, and competes with the onsite work required with contractors to get problems addressed. BRG does not have the staffing to call every owner back. Relatively simple formatting issues have delayed prompt posting of the maintenance log to the website. **The Secretary and Shannon Swift will meet as soon as possible to resolve the formatting issues**.
			2. *Unit 2409 (Downey) reported that BRG did not take responsibility for a reported mouse problem*. **Discussion revealed that this falls under the homeowner’s responsibility.**
			3. *Continued roof leaks in Building 25 affecting units 2511 and 2513:* These are different leaks; not the same spot. **The roofer will come out on Wednesday, but it will be a temporary fix, as the roof can’t be replaced until spring.**
			4. *Sprinkler:* In response to a request for a report on Yankee Sprinkler’s assessment of the level of the antifreeze in each building, BRG reported that Yankee was supposed to come out last Thursday; they will follow up. **Trustees requested that BRG email them as soon as we get an update.**
			5. *Trash and recycling:* Lombards missed trash and recycling pickers. BRG will call Lombards and ask for a credit for missed pickups. **BRG will advise Lorell when there is poor service.**
			6. *Freeze alarm monitoring service - whether to bid for new system or suspend current contract.* Shannon reported that Sounder Systems will not continue to monitor the freeze alarms unless we update the controls as they say they advised the Manager 10 years ago. Tony Baldwin advised cancelling the monitoring contract. We pay $2,200 to have the alarms monitored, and he estimated that it could cost $7,500 to upgrade the freeze controls. If an alarm goes off, it trips an email, not a phone call. It was proposed that if we decide to cancel the contract, we review annually, in every budget process, upgrading the equipment and reinstating monitoring. **It was agreed to make no decision on this matter tonight.**
		1. Outstanding from December minutes:
			1. *Contracts:* BRG to provide Chair with contracts for Yankee Sprinkler, Egans landscaping, and Egan’s snow removal, to sign.
			2. *Quotes for lighting to Building 4:* At the October meeting, BRG was asked to submit before the November 7 budget meeting a design for lighting for the building 4 parking lot, to match the rest of the property, with a cost comparison for tying it into the existing electrical panel vs. solar. Trustees have been waiting for that cost comparison for more than 3 months. Tony is waiting for 2 quotes; he will follow up.
		2. Outstanding from November minutes:
			1. *Communication:* 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.
			2. *Closets:* Trustees are still awaiting measurements of building 4 storage areas.

**No Board action taken.**

* 1. SECRETARY’S REPORT:

The next order of business was the Secretary’s Report on the status of meeting minutes, the website, Board correspondence, and the newsletter.

1. *Minutes:* Completed and reviewed, edits to be made on 7/25 & 8/16 Owners meetings; 8/16, 10/17 & 11/22 Board meetings. Still to be typed: December 19 and June 20 meetings.
2. *Website:* All financial reports for 2016 posted. Awaiting end-of-year financial report, due in April.
3. *Maintenance log:* Posting of the maintenance log has been interrupted due to formatting problems. A brief meeting at the computer between the Secretary and Shannon should be sufficient to solve the problem, but it has been difficult to schedule due to onsite leaks, family illnesses, air inspections, and other onsite matters that Shannon has been dealing with. This impacts both HOP & OPMT logs. We will keep trying to get a meeting scheduled.
4. *Correspondence:* No response from Jenn Morrison at Lorell.
5. *Newsletter:* A fall newsletter was posted on November 20. There is a small committee of owners who gather items and help to get a newsletter compiled.

**No Board action taken.**

1. OBSERVER QUESTIONS AND COMMENTS

Q: An owner tried, but was unable, to reach BRG in what she considered to be an emergency. An owner needed help but couldn’t get to her door to let neighbors in. Can BRG give the lockbox code to someone on site?

A: BRG is legally liable, and can’t just give the code out. We could pay a 24-hour security guard to be available, or turn every common door into a coded lock.

Q: Can I touch up the paint in my common area (2513)? Can I get the paint?

A: Yes, Tony can provide the paint.

Q: Is Yankee Sprinkler our new sprinkler company?

A: Yes.

Q: Some owners treat BRG like a landlord, not realizing that unit owners are responsible for internal issues and events. Can an article go into the newsletter, explaining the difference between condo ownership and renting?

A: Yes.

**Tom Young offered to write the article**.

C: There is a pickup truck parked in the wrong spot. Unit 3012 takes up 2 or 3 visitor spaces in addition to their own space and their garage; this isn’t fair to the other owners.

A: Parking will never be perfect here. We can ask that people show consideration for their neighbors. This could be another newsletter article.

When there is a problem with parking, owners can write to the Board. The Board can reach out to the offender without using the name of who reported, e.g., “The Board has noticed that …”

**No Board action taken.**

There being no further questions, and no additional business, the Chair announced that the Board would go into executive session and all observers left the meeting at 8:00. Baldwin Realty Group’s Tony Baldwin and Shannon Swift remained.

At 9:10 p.m., the business of the executive session having been completed, the chair adjourned the meeting.

Respectfully submitted, Helen Jones, Secretary, August 3, 2017

Approved, Lesley Pitts, Chair, August 5, 2017