

# LETTER FROM THE PRESIDENT

## 2019 Year in Review

### **Summer House Owners:**

2019 has been a year of progress and change at Summer House. Let's review.

### **Insurance Reappraisal**

Early this year, our property was appraised at a little over \$50,000,000. This significant uptick in property value, combined with the negative effects of various faraway disasters on the balance sheets of reinsurers, resulted in a 16% rise in overall insurance costs to Summer House. Our insurance representative shopped aggressively to restrain the rate increase but, once again, we were forced to absorb price increases in excess of our rate of revenue growth.

### **HardieBoard Project**

As Phase 1 of this massive project is brought to a close with the anticipated completion of Building 6 this year, we are ready to proceed immediately into Phase 2. We have contracts in place and are financially prepared for a quicker pace of construction. Phase 2 consists of a five building construction package that will feature a new stair manufacturer chosen by the Summer House Board. As you recall, Phase 1 was designed to maximize visual impact along A1A and to ascertain the process details of each of our four basic building types. Phase 2 will complete construction along the southern border, a low and materially intruded sector of our Golfside property. The project continues to have a very positive impact on sales and rental values on the Golfside, not to mention the maintenance cost savings created by the fresh, durable exteriors and metal/concrete stairs and railings.

### **Additional Projects**

Just because we have undertaken, by necessity, such a large construction project on the Golfside doesn't mean that we have disregarded other areas of our property. This year, the Board chose to refurbish one of our most important amenities - the Beachside pool area. New marcite, furniture, paint and small repairs were all part of a project costing a little under \$50,000. Occasional building repair and minor construction on the Beachside continues, as the Board is committed to not allowing maintenance to be deferred on the Beachside.

### **Rules Refinements**

At Summer House, we try to anticipate the needs of the community through a rule-making process that looks forward and is not purely reactive. Thus, the Board put in place this year a Rule and set of procedures dealing with the issue of Emotional Support Animals, a topic that is beginning to be explored in regulatory agencies and courts across the country. For us, we certainly plan to maintain our long standing policy of being a pet-friendly community. In doing so, we must accommodate changes in the law while not departing from the requirements of our Declaration prohibiting certain aggressive dog breeds. Our new Rule and accompanying procedures aim to balance

these competing interests. The Board also modified rules regarding late fees in order to accommodate the excessive confusion caused by payment processing changes.

### **Architectural Reviews**

At each meeting, the Board ratifies its previous architectural review decisions. It's a quick line item on the agenda that many listeners probably overlook and the importance of which is probably misunderstood. The Board reviews requests ranging from window installation to structural changes with engineering drawings. As with the Rules, we try to stay on pace with changes and technological opportunities. Recently, we instituted some new guidelines regarding doorbell cameras. As much as we try to guard against any unnecessary penetration of building envelopes, the Board decided that these new safety devices were a welcome addition to our community. As with any change, though, that impacts the exterior of a unit, please be sure to submit an ARC Request form before making any changes. As always, we will continue to emphasize building envelope preservation.

### **Vendor Contracts**

We are constantly reviewing and re-negotiating contracts with vendors. That process won't stop. This year, we negotiated community wide provider agreements with Terminix and with Comcast, garnering an upfront payment of nearly \$70,000 from Comcast. That's \$70,000 that won't have to come out of your pockets.

### **Reserve Study**

We also received a new professional Reserve Study, designed to review our necessary future capital replacement projects and facilitate financial planning for them. While the Board certainly seriously considers such recommendations in its capital planning process, the Board chose this year, as it has for a number of years, to budget funds for capital planning needs in amounts significantly higher than recommended by the Reserve Study. The Board is and will remain committed to a conservative approach to capital planning that ensures that the future values of our community are preserved and enhanced.

### **Our Staff**

Plans and policies are meaningless in the absence of execution. Our staff fights for us on a multitude of battlefronts every day. Their jobs are difficult. A smile and a thank you are important reminders to them that their selfless work is appreciated. We have a superb staff. Please take a moment the next time you interact with them and thank them.

And, of course, I thank you for your trust and support.

Sincerely,

*Joe Gill*  
President