

LETTER FROM THE PRESIDENT

May 2020

Summer House Owners:

The whirlwind of change this year feels unprecedented. Many of our everyday routines, as individuals, have been altered. Nonetheless, be assured that your Board and Staff never stopped working and maintaining our property. We are focused on safety and efficiency. Now tasked with operating in this new and rapidly changing environment, our aim is to be flexible and adaptive.

HardieBoard Project

The pandemic shutdowns never stopped work on Phase Two of our major construction project. In fact, the pace of construction has accelerated. Building 7 is nearing completion and work on Building 8 has begun. Following Building 8, construction will commence on Building 9, then Building 12, then Building 15. When we are a few months away from Phase Two completion, we will plan Phase Three, incorporating the lessons we continue to learn along the way.

Insurance Renewal

Prior to our May 15 renewal date, the commercial insurance market turned unfriendly. Most properties have seen premium increases in the 10%-15% range. We work with a very sophisticated commercial insurance representative [Harden] with the ability not only to price a number of coverage options and carriers but also the ability and willingness to communicate directly with underwriters to present our property in the most advantageous light. The result was an expected increase in property and casualty premiums accompanied by a material decrease in liability premiums...essentially a wash. Our net premium for our numerous coverages declined 2.17% year over year, an unexpectedly good result.

Audit

Our Audit, approved by the Board, was entirely uneventful. Just like it should be.

Landscape Contract

Every organization with a large footprint to manicure [ours is about 45 acres] struggles with landscape vendors. The truth of the matter is that it is an exceedingly tough business space in which to operate and performance quality is highly variable. The performance quality of our current vendor, DMKoehn, has drifted lower over time. Recently, DMKoehn presented the Board with a proposed \$82,600 increase in contract costs for the upcoming 12 months. Of course, our Staff surveyed a number of vendors and created an apples-to-apples comparison of proposals, culminating in a recommendation to the Board to contract with Pro Green going forward. The Board adopted the Staff's suggestion. That change is coming soon.

Architectural Review Requests

We continue to process an increasing number of Architectural Review Requests from owners enhancing and renovating their units. This is good news for everyone. While the Board will always be governed by the constraints set forth in our Declaration, we encourage owners to update their units, creating higher sales and rental values for the entire community.

The Pandemic

The pandemic made us all reexamine our habits and behaviors. Organizations must do the same. Our work and communications at Summer House cannot stop or even slow, but our systems and methods are going to have to evolve. And while personal safety requires us not to gather in large numbers, open and widespread communication is a valuable and necessary component of our organizational mission. The inherent conflict built into these competing values can be resolved by technology. In May, we held our inaugural digital Board meeting, hosting video and audio feeds from owners across the country, all joined in a single electronic “room”. We learned an interesting lesson. Participation in our meeting actually increased. Although we feared that the pandemic would impair our owner communications, the technology actually allowed owners who live out of state [we have many] to participate and to hear firsthand the deliberations and discussions of the Board. Conducting the meeting digitally *enhanced the interaction* between the Board, the Staff and the ownership. It’s a great example of adaptive organizational behavior. We will continue to pursue ways to improve the operations of Summer House. And we all should thank our Staff for actually making each small innovation, each system tweak actually happen. They’re exceptional.

We hope to see you soon in our new Digital Clubhouse!

And, as always, thank you for your trust and support.

Sincerely,

Joe Gill
President