

# LETTER FROM THE PRESIDENT

February 2017

## Summer House Owners:

Sam Altman, in the [YCombinator.com](http://YCombinator.com) blog, advises: "Be a doer, not a talker - history belongs to the doers." Let's step back for a minute and examine what the Board and the Staff at Summer House have been *doing*.

### **The Attack On Major Deferred Maintenance Items**

When the reconstruction of Building 13 was complete a couple of years ago, the war on deferred maintenance was born. The war continues, and will last for years, but Summer House owners are well on our way to winning the war.

#### —> *The Plumbing*

Approximately 315 condos have been re-plumbed with Association funds. Every single Association-owned water delivery line inside Golfside and Beachside units has been replaced with modern plumbing materials. The Association no longer owns any delivery plumbing inside any unit; every unit has its own dedicated plumbing lines and shut-off valve. This massive project is complete. Some owners chose not to take advantage of the tremendous savings offered by our plumbing vendors to replace their hot side delivery pipes. So, leaks will still occur, including slab leaks, the most expensive and destructive type. The Association will help provide information to you if you experience a leak inside your unit, but the Association cannot repair it.

#### —> *The Siding*

A multi-year, multi-million dollar project that is complex, sometimes baffling and always disruptive is underway. The beauty of this project is that everyone who drives down A1A can see the results. Did I mention that this project is complex and disruptive? It will continue. The rewards, in terms of sales and rental prices for owners, are significant. There are also significant rewards for replacing windows, sliders and doors during construction on your building - low installation price [owners only pay for direct material costs] and reduced utility bills in the future.

#### —> *The Sidewalks and Drainage*

When we spoke with our property and casualty agent in January about our May renewal options, he observed that a previously constant stream of minor complaints and personal injury lawsuits related to the sidewalks had completely abated over the last year, and that our property performed extremely well during the hurricane. These should be favorable underwriting characteristics going forward. In other words, our proactive approach to sidewalk and drainage issues will continue to pay off. The proof is in the performance...and the insurance premium.

## **Streamlining HOA Business Administration**

While the Association has a duty to maintain the physical property, we also have a duty to administer our business affairs in an efficient and effective manner.

### *—> Vigilant Fiscal Planning and Management*

Effective HOA management begins with accurate and transparent budgeting and the creation and maintenance of efficient management systems. These systems are constantly tweaked to make sure they are responsive to the needs of the community.

#### *-> Ensuring Effective Collections*

One of the most visible and important "tweaks" undertaken this past year was placing an increased emphasis on our collection systems and engaging our attorney with us in this pursuit. Delinquencies are currently lower than they have been in many, many years.

#### *-> Vendor Bidding and Negotiation*

Our vendors know that their contracts are consistently reviewed and re-bid, and we are outspoken with our vendors about requiring good value.

#### *-> Consolidating Maintenance Capabilities In-House*

The process of expanding our internal capabilities allows us to recapture funds previously spent with vendors.

### *—> Detailed Management of Landscaping Vendors*

The most visible aspect of property management is landscaping. In our area, landscape vendors represent the most sporadic vendor quality in every community. All landscape vendors must be directed by our managers at a detailed level and every bit of those instructions must be given followup. We pay a great deal of detailed attention to landscaping but everything has to be accomplished in stages - it's a huge property.

### *—> Detailed Resident Communications about Construction Scheduling and Logistics*

With the extraordinary amount of major construction projects undertaken in the past few years, we have experienced an accompanying explosion of logistics and communication responsibilities. Contractors, subcontractors, vendors, owners and residents must know their responsibilities and time constraints with respect to a constant stream of construction needs. These detailed and time sensitive tasks are in addition to the normal business routines of the property.

### *—> Executing Consistent Maintenance Routines*

In addition to being responsive to owners' questions and concerns regarding the physical property and repairing the inevitable problem areas that arise in 50+ buildings, our maintenance crew practices a routine maintenance discipline including daily, weekly and monthly routines. It seems like they are everywhere.

## **Administrative Rules Enforcement That Makes Common Sense**

When an owner receives a Violation Notice, some may envision a community member or staff member strolling along with their phone camera in hand looking for the slightest breach of the rules. That just isn't what is happening. Rules enforcement by the staff has a purpose, and it isn't to harass anyone and it isn't petty. Fines are issued for rules violations that impact everyone in the community negatively. Here are the most frequent violations and why enforcement is important:

—> *\$50-trash outside.* Trash attracts rats, raccoons and other vermin. It goes without saying that they are nasty and expensive to remove. Who thinks that's okay?

—> *\$50-outdoor firewood, non-electric grills and blocking access to fire equipment.* We received a letter from the St. Johns County Fire Marshall advising us of the importance of enforcing the Fire Code given the multiple multi-unit condo fires in St. Johns County recently. We're not going to ignore the Fire Marshall.

—> *\$50-throwing inappropriate items into the trash compactors or just leaving such items beside the compactors.* It costs the HOA significant money to dispose properly of those items. Why should you pay to dispose of someone else's tenant's bed frame?

—> *\$50-penetrating the exterior of a building with a nail or screw or worse.* This causes water intrusion which is wildly expensive to repair. Not only that, but it can void the warranty on exteriors that we have recently rebuilt at considerable expense. In addition to a fine, owners have to pay to repair the exterior [expensive]. We are already spending millions to repair our exteriors because of water penetration...why pay more? Please have tenants direct cable vendors to contact the office prior to cable installation so that the vendors can be instructed to drill the building ports, not the siding.

—> *\$50-outside debris, including coolers, towels, rugs, sports equipment, brooms, etc.* Our community should look like what it is - a classy complex in the heart of an upscale resort area.

*Please, please, please tell your tenants [or tell your property manager to tell your tenants] not to break these particular rules.*

The Board encourages comments and suggestions from unit owners regarding our policies and strategic direction. If you have any questions about day-to-day operational, business or maintenance matters, please feel free to ask the Staff.

Thanks for your trust and support.

Sincerely,



Joe Gill