



the bluffs

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at fox hill



The Bluffs at Baiting Hollow Condo 1

2021 Annual Meeting

November 20, 2021

Board Agenda

- Board Greetings
- Property Update
- Financial Reports
- Insurance
- Additional Updates

Bluffs Board Members

- Janna Valencia (President)
- Julie-Ann Signorille-Browne (Vice President)
- David Scherman (Treasurer)
- Sally Macken (Secretary)
- Bill Muenkel (Director)
- Joe Cuozzo (Director)
- Marshall Turner (Director)
- Pat Castellani (Director)
- Pat Intrieri (Director)



The Board is thankful to have a cohesive and productive team that works hard together for the success of the Bluffs Community!



Property Maintenance

- Beach Stairs
 - Currently in good condition – minor repairs made as needed
 - Sand was lower in 2021 at the beach – this shifts from time to time
- Beach and Upper Gates
 - New gates installed in 2020 - worked with manufacturer on some issues with fit/wear in 2021
 - Key fob system to be installed for 2022
- Garbage areas
 - Additional dumpster added at building 6 – two dumpsters at each of the three garbage areas in the Bluffs
 - Gates and fencing to be painted in Spring 2022
- Parking
 - Units are allowed 2 cars maximum to be parked onsite
 - Parking constraints near buildings 1&2 continue to be reviewed
 - Board and Management continue to work with Giorgio's to ensure they do not encroach on our parking lot or block the entrance/exit
- Pets
 - Please curb your dogs – waste bags are available throughout the Bluffs
 - Avoid using the grassy areas near units for your pets

Bluffs Landscaping

- **Regular Landscaping**

- Weekly and bi-weekly maintenance is performed throughout summer as per the contract schedule with Board oversight
- Weeding frequency increased for 2021 season
- Protected bluffs trimming complete
- Grand lawn and surrounding bluffs growth is maintained by the Knolls
- Winter prep of property is in process

- **Additional Landscaping Work 2021**

- Additional trimming and plantings as directed by Board as budget allows
- Area around upper gate has been refreshed with mulch
- New plantings were added around buildings 1&2 to enhance the existing area
- New decorative fence added near the end of building 1

- **Pea Stones**

- Have been refreshed throughout the property
- Reviewing areas where the pea stones shift for other potential options





Building Maintenance

- Cedar Wash/Replace Project Completed (End of 2020)
 - Cedar will continue to grey out and blend over time
 - Important part of the project included the replacement of the deck joists on all front and back decks with marine grade stainless steel TECOs and screws
- Building Upkeep
 - Decks, stairs, cedar repairs, sidewalks, and roofs to be ongoing focus on a rolling repair schedule as buildings continue to age
 - Original nails on decks reaching end of life – report any issue of loose banisters/boards to management
 - Upper decks have more exposure to the elements – will start to address
 - Persistent leaks to be reviewed for any failing areas due to age/weather
 - South facing deck railings continue to be replaced as needed
 - Railroad ties repaired/replaced on lower unit patios as needed
- Fire Doors
 - Remaining replacements in progress on buildings 1-2
 - Painting in process of all fire doors (buildings 3-4 complete)
- Chimney Cleaning Planned for End of 2021
- Common/Shared Areas
 - Decks are common space maintained by the association. Please take care with plants so that they do not leak water onto your deck or the decks below. Pets should also not be left on decks unattended.
 - Utility closets – please work with the 6 units in your stack to share the space and do not block the utilities

Financial Reports – 2021 to Date

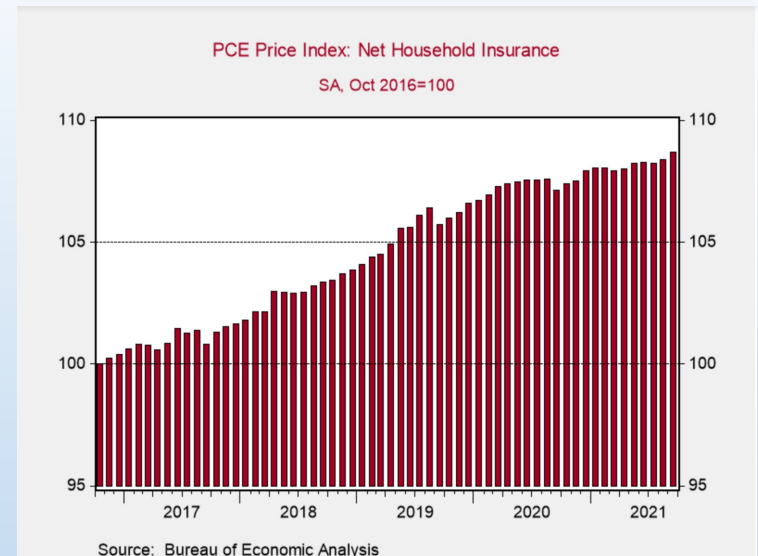
- 2020 Financial Report Complete
 - Will be emailed to the community and posted to the Bluffs website
 - Available in hard copy by request
 - Prepared annually by Michael Berger & Company
- 2021 Financials through the End of October
 - Total bank balances of \$360K
 - Includes our Reserve Fund
 - Reserve fund fully funded at the end of 2018
 - Funds borrowed for early cedar project completion (repaying via assessment funds)
 - Funds borrowed for annual insurance (paid in lump sum for discount and repaid throughout year)
 - 2 unit for sale, all units in contract, and 4 long-term rentals

Financial Reports - 2022

- 2022 Budget
 - 2022 Budget has been finalized by the Board
 - Budget was kept flat or decreased where possible, but increases were necessary for insurance and other rising costs
- Monthly Dues
 - Monthly dues have been kept flat since 2018 through 2021 while siding assessment has been in place
 - Monthly dues for 2022 are increasing for operating costs/inflation (~5%) and insurance increase (\$76/unit/month)
 - 2022 Monthly Dues:
 - Top Floor Units **\$533** (increase: $\$22.39 + \$76 = \$98.39$)
 - Lower Units **\$505** (increase: $\$21.05 + \$76 = \$97.05$)

2021 Insurance Status

- Property rates across the Nation have significantly increased over the past two years due to the various natural disasters and the sharp increase in construction costs
- Although we have not seen so many of these disasters here in New York, it does affect the rates used across the country
- Many carriers that were writing frame construction with high insurable values have stopped due to hefty claim payouts
- The non-admitted markets still writing frame construction are at a hold, as they have met their overall capacity with building limits; which leads to a property increase for The Bluffs at Baiting Hollow Condominium I

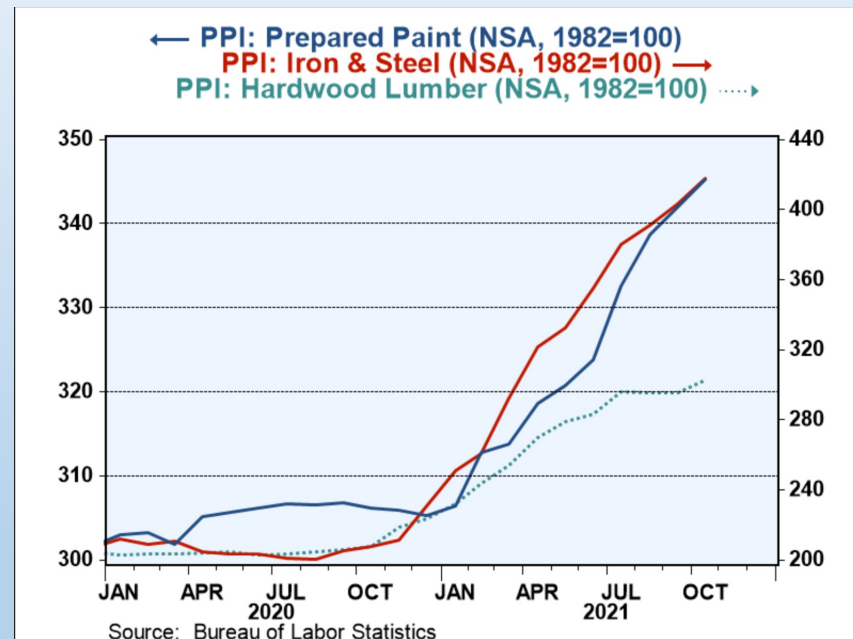


Insurance Index has Been on the Rise:

- Rates were relatively flat for 8 to 10 years prior, but started to rise significantly by 2020
- Cost of Insurance has increased due to multiple factors:
 - Underinsurance of properties
 - Increase in aggressive claims against policies
 - Smaller number of risk-purchasing groups insuring condos and co-ops
 - Replacement costs have risen significantly

Construction Costs Rose Sharply in 2021

- Supply chain issues caused by the pandemic have led to costs rising sharply in construction materials
- Therefore, our replacement costs for the Bluffs became a concern to the Board specifically this year



Summary of 2021 Insurance Renewal Options

Option 1 – Same Insurance Carriers as Expiring

- Building Values remain the same at \$19,807,200 / \$119 a square foot **(\$155k/unit)**
- All other limits remain the same
- Increase in premium on the Package Policy of \$46,940.79 from the expiring term
- Policy billed annually
- Requested the carrier increase the building limits, but they were at capacity
 - Only offered the first \$5,000,000 in building value but our broker worked with them to offer the current/expiring limits.
 - Obtaining the additional limits would be very costly.

Option 2 – Chubb Custom Insurance

- Building Values increased to \$ 36,411,743 / \$220 a square foot **(\$288k/unit)**
- Increase in premium on the Package Policy of \$107,273 from the expiring term
- Can be paid in Agency Billed 4 Installments
- Brooker requested if the building limit could be quoted at \$175 - \$185 a square foot but they would only provide terms at \$220 a square foot minimum

Marketing Summary – Other Carriers

- Philadelphia – Indication of 290k+
- Dongbu – Declined due to Coastal Guidelines
- Seneca – Declined Property due to Coastal Guidelines
- GNY – Declined Property
- Wesco – Declined as a Package and Declined Monoline Property
- Narraganset Bay – Would write the Property but they are at capacity with reinsurance
- NSM – Declined Property - Could not compete with Lloyds of London
- Nationwide – Declined – Property Values too large

Bluffs Insurance Increase

- The increase in the cost of insurance has been rising considerably for Frame Construction
- Many carriers that are willing to write Frame Construction have very strict guidelines, such as capping the limit to \$25,000,000 in building value, the distance between frame buildings, sprinklered building preferred, wind prone areas are not desirable for frame (high wind deductibles are added) and distance to coast
- The prior carrier's valuations for the building limit were at \$119 per square foot (\$155K/unit, total coverage \$19.8M). The prior carrier did offer a renewal, keeping the building limits the same as expiring; however, the premium increased over \$47K
- Upon review, our insurance broker felt they could do better for the Association and that our building limits should be increased in keeping with rising replacement costs, so they approached alternate markets, requesting quotes from at least 9 companies
- The new carrier proposal increased the limits to \$220 per square foot (\$288K/unit, total coverage \$36.4M), which led to an increase in premium of \$107K
- The Board was faced with the 2 renewal options:
 - One was keeping the building limits the same but with a large increase over \$47,000
 - The other option was increasing the building limits by almost 50%, also with a large increase of \$107,000
 - Considering a large increase was imminent, after discussions with our insurance broker, it was agreed that an increase with no changes was not acceptable
- Therefore, the policy bound this year had a large increase which will impact monthly dues by \$76 starting in 2022

Reserve Study Status



- Reserve Study Recommended Every 5-6 Years
 - Bluff's last reserve study was performed in 2014 by Tauscher & Co.
 - Board engaged Tauscher & Co. early 2020 to work on the reserve study – the company put it on hold and eventually did not complete, citing issues from COVID as the reason. Deposit was refunded.
 - Board engaged the Kipcon company this fall – draft report was recently completed and is under review by the Board
- Two Parts to a Reserve Study
 - Physical Analysis
 - Inventory of all association components, evaluates its condition
 - Financial Analysis
 - Evaluates our reserve fund
 - Makes recommendations on how much money is needed to handle emergency maintenance issues
 - Evaluates costs for needed to repair or replace components examined in the physical analysis
- Next Steps
 - Prepare and plot a course of action for routine upkeep that is needed on the Bluffs buildings and property
 - Board looking to implement and fund a rolling schedule to focus on repairs to aging buildings, decks, and sidewalks

Joint HOA Board Updates

- Virtual Annual Meeting held Saturday, November 13
- Vistas have been completed and units are selling – they have been incorporated into the Joint HOA
- HOA Board seats were reallocated by Board vote to include the Vistas – the Bluffs retained our four seats
- 2021 Joint HOA Board Election Results
 - The Bluffs (4 Reps)
 - Janna Valencia (President)
 - David Scherman (Vice President)
 - Mark Shustak (Treasurer)
 - Pat Intrieri
 - The Knolls (3 Reps)
 - Cindy Bastien (Secretary)
 - Regina Munster
 - Dale Baldassano
 - The Golf Villas (1 Rep) – Stephen Swanson
 - The Vistas (1 Rep) – Joe Bertolino
- **Monthly dues remain \$80 for 2022 (no increase)**



Joint HOA 2021 Board Highlights

- Joint HOA Board has made many 2021 pool enhancements:
 - New pool fence
 - Refurbished bocce court and lawn games
 - Two new solar heated outdoor showers
 - New sound system speakers
 - Four new sectional lounge seating areas
 - Improved WiFi with complete pool deck coverage
 - Extended pool season and hours
- Other 2021 Enhancements:
 - Main road repaved in conjunction with the Vistas project
 - New energy efficient lights installed on the main road
 - Walking path repaved
 - Security cameras and license plate readers installed at guard booth
 - Four new pickleball courts installed
 - Trimming of overgrowth throughout the property and new plantings
 - Mats on the pool path
 - Community events held throughout the season
- 2010 Bylaw Amendment has been recorded
- Existing agreement in place with the Baiting Hollow Club (Golf Course) – payments to the community are now current through 2021 (\$125K collected in 2021)
- Dedication of surrounding land from Benjamin Co. under review

Contact **Choice Management**, the HOA Management Company, for any questions or concerns regarding the Joint HOA and shared amenities





Other Updates

- COVID-19 – Bluffs continues to monitor and follow all state and local mandates
- Main Road Speed Limit 10 MPH – Increased number of people are utilizing the roads for recreation and exercise so please take extra caution when driving through the community
- 2021 Annual Tree & Menorah Lighting – Holiday lighting gathering on Saturday, December 4th 2:00 – 4:00 pm on the Four Corners. Wine, hot chocolate, and light pastries will be donated and served by Board Members. The whole Fox Hill Community will be included – please join your neighbors in celebrating the Holiday season!

2021 Bluffs Board Election Results

- Three incumbent Board Members ran unopposed for three seats
- Board seats are three-year terms
- Annual election (when needed) is held using ElectionRunner, a secure, online third-party voting tool
 - Utilized since 2018 for annual elections, polls, and votes on important topics like the siding project
- Thank you for your continued participation!



David Scherman



Joe Cuzzo

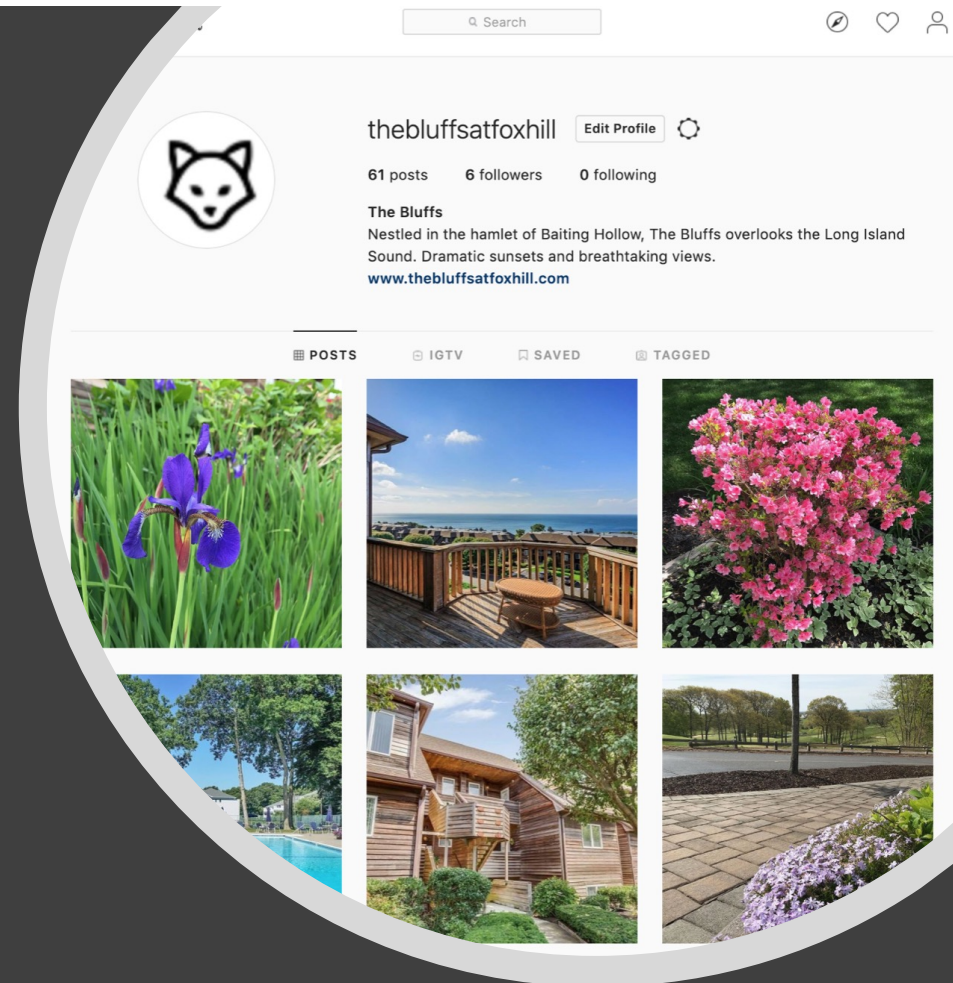


Sally Macken

Reminder: Visit our Bluffs Website

Website: www.thebluffsatfoxhill.com

- Board posts meeting minutes, information regarding capital improvement projects, and financial reports
- Includes current board members, term lengths, and photos
- 2020 Refresh of House Rules posted on website
- Link to Instagram page for Bluffs and surrounding areas scenery photos
- Bluffs promotional video is available on the home page of the Bluffs website
- Management Company contact information



Q & A

- Has the board considered imposing fines for homeowners who break the house rules?
 - Yes, fines are noted in the House Rules and are imposed if homeowners do not comply.
- Can landscaping accent lights be added on the hill across from building 3?
 - Great suggestion, the board will review and implement as possible.
- Issue with leak from unit above (via roof), appreciate the quick responsiveness from Alan. What is done annually to maintain the roofs?
 - Roofs were replaced in 2007. We continue to proactively check roofs each year for any needed repairs, and the board will start to plan for future roof replacement. The skylights on the top floors are often the source of the leaks – these are addressed with recalking etc.
- Will the bikes be removed from the bike racks for the winter?
 - Yes, the board will remind homeowners to remove their bikes for the winter.
- Now that Giorgio's is busier, the cars sometimes are parked by Ziggy's shop, making it harder for Bluffs cars to enter and exit.
 - The board and management continue to work with Giorgio's to ensure they are not blocking the entrance by Ziggy's shop
- Cell phone service is not very good on the property. Is there something the board can do about this?
 - There are currently limited cell phone towers in the area, and this is not something the board can influence. If you have internet in your unit, it is best to turn off your cell phone service and use your phone over internet while home, as some cell phone service tries to override WIFI calling to connect over cellular, disrupting your service. Just remember to turn your cell phone service back on when you leave home.
- Now that the cedar project is complete, will the sidewalks be a focus? There are some large cracks in places.
 - Yes, the sidewalks will be part of the rolling upkeep that the board will be planning for in the future. However, if you have any immediate cracks or issues in the sidewalk by your unit, please report them to Management so that they can be repaired.
- The upper gate between 1&2 buildings sometimes sticks and seems locked.
 - Management will ensure the gate is working properly. It is not currently locked; it will be locked once we start utilizing the key fobs.
- Multiple Homeowners' Feedback: Appreciate all that the board does and the work of the board, recognizing the board members are volunteers. Agree with the increase of our insurance as our units have continued to increase in value. Appreciate that the board did the due diligence on the insurance and it's important that we are properly insured now, or we will pay for it later. The property and landscaping look better than ever, love our neighbors and being here. Thank you to Alan for all of his help.
 - The board appreciates all of our homeowners, and our goal is to ensure we retain and increase our property values and make the Bluffs as beautiful and enjoyable as possible!

Holiday
Wishes from
the Bluffs
Board

