



**September, 2023**

This newsletter contains the usual smattering of announcements and thank yous, and then ***three important pieces of information to read before the annual meeting:***

1. **Annual association meeting** will be Tuesday, October 10, 7 p.m. Details below.
2. Information about **insurance and reserve funds** that you should read before the meeting
3. Update on the **board of directors** and the need for volunteers

## **Announcements, first**

### ***Some dates:***

1. Saturday, September 30, will be the fall landscape clean-up. Plan to meet at the bridge at 9 a.m. Bring work gloves, if you have them. There may be donuts.
2. Annual plants should be pulled up, bagged, and set out for DJs to pick up in early October. The date for DJs last mowing/debris pickup will be announced when we know it. After that date, you may not put bags at the curb.
3. Furniture on decks, on front porches, and on back patios should be removed by the end of October.
4. The underground sprinkling system will be shut down in early October.

### ***A change to Arrowaste's service:***

Arrowaste (our garbage service) will no longer supply the smaller bins for garbage and recycling. You may continue to use these bins if you have them, but if you want a new one, only the large size is available. If you HAVE a smaller bin, and would like a large one, please contact the secretary ([bamezeske@gmail.com](mailto:bamezeske@gmail.com)). We will try to arrange an in-house swap to keep that small bin here in the association.



**Condo associations run well, thanks to volunteers.** This month, we take note of

- Bill Hankinson, who cleaned grass and turf from all the gutter pop-ups
- Don VandenBrink, who painted service doors and door frames, and the occasional front porch pillar. Don also edged flower beds in the common areas.
- Everyone who got their feet wet raking the ponds. We neglected to write down all the names, so rather than leave someone out, we are issuing a heartfelt blanket thanks!

## **Annual meeting, October 10, Harderwyk Ministries, 1627 W. Lakewood Blvd**

This will be our first in-person association meeting since 2019, and we are all looking forward to it. Doors will open at 6:30 p.m. Come early and meet the neighbors! We hope to start the formal part of the meeting at 7:00.

We have a new format in place of the potluck of the past: cookies, coffee, and lots of socialization before and after the agenda. Nothing for you to bring: it's all on us!

Speaking of agenda, you will receive via email (or hard copy, if you don't have internet) a packet of information the week before the meeting. The packet will include the agenda, the 2024 budget (including 2024 dues), a summary of how association funds have been spent, election information, a ballot, an evaluation of the board, and an extended absence form (for all of you snowbirds).

Ballots for next year's board members, evaluation forms, and extended absence forms can be turned in before the meeting at 352 West (Dan Ward) or 481 East (Barbara Mezeske).

## **Money matters**

### **The association insurance policy (Farmers)**

Our policy isn't up for renewal until early in 2024, but all signs point to a 10-20% increase in rates. We have investigated other insurance providers, but have discovered that these increases are industry-wide. Here is a bit of explanation from our Farmers' agent:

• ***Claim Increases:*** *There has been a notable 50% increase in habitational claims nationwide over the past three years, attributed to events like wildfires, storms, and other natural disasters.*



- ***Inflation and Supply Chain Shortages:*** The industry is grappling with record levels of inflation, which can affect costs and claims. Additionally, supply chain shortages could impact the availability and cost of materials needed for repairs and replacements.
- ***Changes in Company Strategies:*** Many insurance companies are adjusting their strategies due to these challenges. Nationwide is no longer underwriting new commercial business nationwide, and State Farm is restricting its involvement in writing condo associations due to substantial losses.
- ***Many companies are pulling out of the habitational market:*** Auto Owners will no longer write new condo associations over 25 years. Nationwide is non-renewing all their condo associations. Farm Bureau has given local associations to an agent on the East side of Michigan and will not write, “All In” policies. State Farm has taken a \$15 billion dollar loss Q 1 2023 and is expected to take 30-50% rate increases country wide.
- ***Commitment to the Market:*** Despite the challenges and the trend of companies pulling out, Farmers is committed to remaining in the habitational market and is willing to adjust rates to ensure profitability.
- ***Regional Impact:*** Some regions, such as Texas and California, are seeing even larger premium increases (100-130%)

Bottom line: we don't think there is much we can do about this increase.

### **Reserve funds, and our commitment to increase them**

You may remember from last year's annual meeting (via Zoom), that we are in the process of building our reserves to a point where we have enough money to forestall or at least to minimize the need to issue special assessments. We spoke to you last year about the concept of co-owners paying for “usage” of big-ticket items. A shorthand way to think about this is that if you live here for 15 years, and your roof has an expected 25-year life, your dues are paying for 15 years of that time. The roof may not be replaced during the time you live here, but you are receiving the benefit of having that roof.

In 2020, the board adopted the following guidelines for how reserve funds (as opposed to operational funds) can be spent:

1. Projects costing \$25,000 or more in any one year, or \$75,000 or more spread over three years, are considered Reserve Fund projects.
2. In addition to the dollar threshold of \$25,000, projects that occur with less frequency than once every five years should be considered Reserve Fund projects.
3. Projects must be related to the building exteriors and other common elements in order to be regarded as Reserve Fund expenses.



4. Projects requiring ten years or more to complete should be, where possible, divided into smaller projects that meet the criteria for being placed in the operating budget.

If you have questions about reserves, or about which projects (like driveway and road repair) have tapped into the reserve funds, please send them in advance of the annual meeting to our treasurer, Doug Hayden ([doughayden@outlook.com](mailto:doughayden@outlook.com)).

## Board of Directors

In early September, board member Warren Millett resigned. Mike Gray has been appointed to fill the remainder of Warren's term. Please thank both of these people when you see them: we are grateful for their service and their willingness to work for us all.

As of this writing, there have been no volunteers for the two board positions that expire in December. Those two people, Wayne Terpstra and Barbara Mezeske, have agreed to accept another term, but they won't serve beyond that.

Therefore, the board is worried. There will be THREE terms expiring at the end of 2024. What if, like this year, no one will take their turn to serve on the board?

We will talk more at the annual meeting about what it means if there are no volunteers. In the meantime, you can think about this:

There are 148 units here at Waterway Pines. Currently, five are rented, and three are empty. One is, or will soon be, for sale. We estimate that there are a dozen or so co-owners who are in their late 80's or 90's. There are seven households that do not use the internet or email. There are a few who have plans to move into continuum-of-care settings in the next two or three years. (Resthaven's Farmstead is scheduled to open in June, 2024.) If you subtract all those folks, **you still have more than a hundred households** in which someone might be able to volunteer.

Let's go further: subtract those dealing with chronic health issues of their own, or of a spouse. Subtract those who, by virtue of their personality, are not suited to serving on a board. Subtract those co-owners who have lived here less than a year. Subtract those who have already served one or more terms.

All of that still leaves a healthy pool of potential volunteers we should be able to draw from.



Snowbirds? They can serve in the age of email and Zoom. Two of the current seven board members are, in fact, snowbirds. Ironically, one of them is in charge of snow plowing. (Isn't that hilarious?) They have demonstrated that snowbird board members can do board business via email and phone just fine.

Planning a big vacation? When the board is fully staffed, the short-term absence of any one member is not a problem: we have enough people to cover for one another. Occasional vacations away from the internet do not prohibit doing the work of the board when you are in town or somewhere where there is internet access.

Waterway Pines is a well-run, attractive association with responsible fiscal management and proactive policies regarding building and landscape maintenance. We have a newsletter, marketplace, and digital protocols for communicating with the board. We have a well-organized website with a wealth of information for co-owners and prospective buyers. Our property values have risen steadily. We are the model for and—in some cases—the envy of other associations we meet through our participation in the Lakeshore Area Condominium Association. We've done all of this for more than 25 years because volunteers have stepped up to take their turns serving their neighbors.

And that's where we'll leave it: the work is possible when individuals take their turn contributing to the well-being of the whole community.

***See you at the meeting!***