

Message from Dick Stausebach, Council President
November 2020

Due to the coronavirus, the Association of Beacon Hill Townhomes Condominium (BHTC) will not be holding its customary Annual Meeting of the Association of Unit Owners. We will try at a later date to schedule this meeting. In the meantime, we are presenting you with our proposed 2021 Budget and income and expenses to date. We will operate on this Budget until it is approved at the Annual Meeting.

Because of our inability to have an annual meeting, Council wishes to welcome any new resident/owner to our community. Further, we wanted to remind/inform every owner(s) of their responsibilities and those of BHTC.

In that regard, please be familiar with all of BHTC documents (Declaration, Code of Regulations and Rules and Regulations) as well as the Unit Property Act and DUCIOA documents, which all can be found on our website, beaconhillcondos.org. The last page of our Rules and Regulations, although not all inclusive, sets out who is responsible for maintenance of the various elements, despite the ownership.

The BHTC Declaration defines what the owner owns as being from the drywall in, from the roof rafters down, and from the basement slab up. No owner owns any specific real estate that their unit sits on or any exterior improvements, rather each owner owns 1/72nd undivided interest in all of the real property of Beacon Hill Townhomes. However, our Rules specify that there are certain elements outside of the unit that must be **maintained by a unit owner** and is not maintained by the Association. We have had a few instances of misunderstanding by several owners about fences. The fences are the unit owner(s) responsibility to maintain. Our documents also stipulate that if the owner does not maintain any of these exterior improvements, Council has the legal right to have the element repaired or replaced and assess the owner the cost of said repair or replacement.

Our townhomes were built in 1971 and 1972 as an apartment complex with all units rented out. In 1979, BHN, Inc. (the owners of the complex) sought to divest itself of this complex and tried to get our complex approved as fee simple townhomes (like Londonderry townhomes on Naamans & Shipley) but, due to our parking lots not conforming to required building code, we were not approved. Thus, the only way to convert the project was to go Condominium with private ownership by the Association of Unit Owners. Our Declaration and Code were developed and structured more or less to treat the complex as a fee simple property due to the fact that, except for attachment of the units, each unit had its own hookups of utilities and the like and the intention was that an individual would be repairing his/her home as if it were a detached single-family home. Accordingly, the owner and lawyer structured the documents tailored to that concept.

That said, you should be reminded that this type of arrangement has allowed us to keep our monthly condo fees to a minimum and if one person has a significant expense to an exterior item that he/she is required to maintain, it is not fair to all the other unit owners to have to pay partial repair costs in their condo fees. If the unit owners should decide that they want all exterior elements (which include fences, patios, decks, and garden beds) to be the responsibility of the Association, that could be voted on and approved by a quorum in an Annual meeting. However, that would significantly increase our monthly condo fee and many would feel that it is unfair for them to have to pay for someone else's negligence to repair or maintain their common elements, when they have maintained their own common elements.

*Message from Terri Lacoff, Council Treasurer
November 2020*

Following is the Beacon Hill Townhomes Condominium 2021 Budget. I am happy to report the condo fee will remain at \$145 for the coming year.

Although a Budget is presented each year to the Unit Owners, Council will still hear comments like, *what am I getting for my condo fees, or I pay my fees each month, so I want this done*. Therefore, to give Owners a better perspective of how the condo fee is applied to our operating expenses, I added a *Monthly Cost Per Unit* column to the 2021 Budget.

Using *General Maintenance* as an example, you will see the monthly allocation is a little bit over \$8 month or \$96 annually per Unit. This expense can fluctuate from one year to another depending on whether Council has slated a maintenance expense that occurs only sporadically. You will also see our two highest expenses, *Insurance* and the *Reserve Contribution*, currently accounts for almost \$100 of the \$145 you are to pay each month. The *Reserve Contribution* is a requirement under the Delaware Uniform Common Interest Ownership Act. The *Reserve* is separate from our daily operating expenses. The *Reserve* can only be used for major replacements like roofs, paving, etc. Our Reserve Study Report detailing how the *Reserve Contribution* is determined can be found on our website, beaconhillcondos.org.

The Budget estimates a deficit at the end of 2021 to be \$15,454. Any such deficit at year-end will be covered by monies carried over from prior years' surpluses. Furthermore, because much of our cash surplus derives from tangible expenses like *Snow* and *General Maintenance*, if we have little to no snow and repairs are minimal along with no unexpected events, the deficit will not be as high as projected. However, at some point the surplus will be depleted and the condo fee will have to be increased.

Serving as Council Treasurer and the Property Maintenance Coordinator, I try to see to it our community receives quality services at a reasonable fee within a reasonable amount of time. To help achieve this, I converse with owners or make personal visits to get a first hand perspective of what their issues are. In matters that are more complex, Dick Stausebach will sometimes accompany me so we can do some troubleshooting in order to provide the contractor with thorough details. These details are documented into a written *Work Order Request* sent to the contractor. This process reduces the likelihood of miscommunication and repeated service call visits. Furthermore, the contractors' performance is scrutinized by Council, not a 3rd party Property Manager with no vested interest in our community. Accordingly, please forward any of your property issues to my or to the entire Council's attention. Our email addresses can be found on our website.

It has been six years since I was elected to Council and have been serving as the Council Treasurer and Property Maintenance Coordinator. I believe our community has made great strides in our appearance and operations all the while maintaining a healthy balance sheet. However, as I state each year at the Annual Meeting, should I (for whatever reason) cease my work on Council and no other Council Member or Unit Owner volunteers to assume the duties I presently hold, or we lose the services of Peg Savoia and cannot find a comparable replacement, the Association will have no choice but to engage a full service property manager, which would result in a significant increase in the condo fee.