



# *Autumn Lakes Gazette*

Established 9/85

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**September 2023**

## **To All Autumn Lakes Owners:**

Since the Board did not have an Association meeting in September, this gazette will include Financials and some updates on activities underway in Autumn Lakes. It will provide information and Q&As from the Property Management Selection meeting held on September 20<sup>th</sup> and the Insurance Town Hall held on September 28<sup>th</sup>. These meetings were scheduled by the Trustees to update the community on the activities related to these key issues.

## **BOARD REPORT**

### **Insurance**

Included with the gazette is the Condo Owners Guide to Insurance with the information for our new insurance and what insurance you need for your condo. Our new insurance broker from Daniel and Henry, Jim Ruebsam, tells us that the certificate of insurance is not usually needed unless you are selling your unit. If you are selling or your mortgage company requires one, you can email [JRCOs@danielandhenry.com](mailto:JRCOs@danielandhenry.com) to get a certificate specifically for your unit. The Condo Owners Guide to Insurance is also available on the AutumnLakesSTL.com website under the More.... option and on TownSq in Documents.

Trustees walked around the subdivision on 10/9 to identify any units that still have grills or firepits. They found about 20 units whose owners were contacted to remove them. Remember, NO FIRES are allowed in WOOD BURNING FIREPLACES. Anyone breaking this rule jeopardizes the insurance for the entire association. If you see someone breaking this rule, please contact a trustee.

Refer to the Insurance Meeting Town Hall section for more information and Q&As from the meeting.

### **Management Company Update**

Thanks to the Property Management Selection Committee for their work selecting and recommending the candidate companies. The committee unanimously recommended Community Property Management (CPM) and the Board unanimously selected CPM as our new property management company. Refer to the Property Management Selection Committee meeting section for more information and Q&As from the special meeting held September 20.

**The Board has approved and signed a three-year contract with Community Property Management, effective January 1, 2024-December 31, 2026. A resident forum meeting will be held November 1<sup>st</sup> at 7pm in the Clubhouse to meet CPM representatives and ask questions. The Zoom link will be available on our website AutumnLakesSTL.com.**

### **Reserve Study**

The use of and need for a reserve study was discussed in the Property Management Selection Committee meeting. The Board has interviewed one Reserve Study company and has a proposal from a second company. They have contacted one other highly recommended company to interview. They would like to get the reserve study started as soon as possible.

### **Fountain**



Finally! The fountain in the lower lake is back! Just in time to enjoy during the great fall weather. Keep in mind it will be removed mid-November for the winter.

## On-Site Support

Chris Trame, our on-site maintenance person, has not been around Autumn Lakes for a couple of weeks. SMG has him cross-training with their other in-house maintenance staff at various associations. We will still have an on-site maintenance person on Mondays, Tuesdays and Fridays

## Activities Report

9/23: Autumn Lakes participated in the Maryland Heights City Wide garage sale.

9/30: Autumn Lakes participated in the Maryland Heights Night out. In conjunction with this, the Social Committee organized a community Chili Cookoff. We had visits from the Maryland Height's Police, Fire, EMS, Public Works, Mayor and Councilmen. Contestants for the chili cookoff were Sandy Kleman, Cathie Burkard, Shah Smith, Trina Lemberger, Sue Emrich, Ronnie Orlowski, Laura Fisher, and Jerris Ruth. The owners and guests voted on their favorite with first place going to Cathie Burkard, second place going to Sandy Kleman, and third place going to Shah Smith. The first, second, and third place winners were awarded an engraved wooden spoon. Although the temperatures were more summer-like, everyone had a good time visiting and enjoyed some great chili and grilled hotdogs.

## Financials:

August Financials as of 8/31/23	ALA	ALC
Income	Under budget \$225	Under budget \$34,826 <sup>2</sup>
Expenses	Under budget \$30,806 <sup>1</sup>	Under budget \$160,330 <sup>3</sup>
Operating Accounts		
Non Interest Checking (Operating)	\$96,522.74	\$60,498.09
Money Market (Reserves)	\$92,461.76	\$477,559.40
Reserve CD as of 10/14/23	n/a	\$75,196.19

### NOTES:

1. still have corrections and invoices in process
2. due to delinquencies, some collections not posted yet
3. due to corrections and invoices in process, no major building repairs done this year

## Rules and Violations Clarifications

Some residents may be confused by recent claims of rule violations. Hopefully, this will clarify a few things.

1. Small decorative flags are allowed in appropriate locations.

General Rules and Regulations: #18. Residents may permanently display flags not to exceed 3' x 5' on poles attached to the garage or front porch. U.S. flags should be displayed in accordance with federal rules and standards. All other displays on the property shall only be displayed temporarily for designated holiday periods. Small seasonal decorative flags should not be placed in areas where they interfere with mowers.

2. Over the 40+ years that Autumn Lakes has existed there have been many different boards, board members and committees. Over the years they have made various decisions that we might not make today, but they have been made and approvals were given. Just because the board changes, doesn't mean that we will reverse decisions/approvals made by earlier boards. We will not make owners remove trees, gardens, flag poles that are approved and are well-maintained. These are not violations just because someone doesn't like them or they don't follow current rules.
3. There are no rules against magnetic or painted signs on cars or other passenger vehicles. Several rules have been mentioned but do not apply.

ALC Declarations and Bylaws Article 9, 9.4 No signs, shall be hung or displayed on the outside of windows or placed on walls of any building ...

General Rules and Regulations: #17. No signs shall be erected or displayed in public view on any property, except as follows: Real estate signs are permitted and shall be placed within fifteen feet of the building. Beautification signs distributed by the City of Maryland Heights shall be permitted. Security signs are permitted and shall be placed within two feet of the building. Other exceptions must be approved by the Board of Trustees.

General Rules and Regulations: #19. Commercial trucks or other support vehicles will be permitted in Autumn Lakes when used in conjunction with work required for construction and maintenance. Commercial trucks, commercial vans, mobile homes, camper buses, boat trailers, or vehicles with exposed ladders, pipe, tools, etc., not parked inside a garage or on the RV lot shall not be permitted or parked overnight without written consent of the Board of Trustees.

## PROPERTY MANAGEMENT SELECTION COMMITTEE MEETING

### BACKGROUND

In mid-summer, the Board voted not to renew the Smith Management contract. A committee was appointed to assist the board in selecting a new management company to begin in January 2024.

**COMMITTEE:** The committee was comprised of two Board Trustees (Pam Bell, Laura Farkas), and four owners (Sorrell Harvey, Jordan Hodges, Retta Morcom, Eric Peterson).

**PURPOSE:** Members were asked to identify and research property management companies that should be considered by the Autumn Lakes Board following the non-renewal of the SMG contract. They were given information from the last property management search to review, and a list of the associations' specifications and current requirements to develop a Request for Proposal (RFP).

Nine companies were identified through referrals and RFPs were sent out. Three companies responded with information about what they could offer. The committee members met by Zoom with each of these companies so they could explain their philosophies and processes. Follow up questions were then sent to the contenders. From these, it was decided that two companies reflected the best fit for Autumn Lakes. They were then further researched by the committee.

Committee members visited some of their client subdivisions and spoke with owners and trustees. They also checked social media sites for owner comments. The BBB standings were reviewed. The committee, with some additional board members, then visited the two company offices and had another chance to ask questions. All meetings focused on a few main topics: work order process, financials, in-house and on-site maintenance capabilities, developing a maintenance plan for our buildings, on-line tools for work orders and reports, delinquency handling and contract costs.

On 9/20/23 the committee hosted a Property Management forum where the process was shared with owners and they were given the opportunity to ask questions of the committee. Sorrell Harvey explained the process of selection. Eric Peterson explained the two types of budgets the board works with. The Operating Budget handles the routine costs that are expended annually, like minor roof repair, minor siding repair, utilities, pool maintenance, insurance, snow removal, etc. The Reserve Budget handles the money designated for large, less frequent repairs like roof replacement, major siding replacement, sport court major repair/replacement and lake dredging. Both of the preferred companies recommended obtaining a Reserve Study by an outside company. This would be done by engineers and analysts inspecting all of the components (siding, roofs, gutters, retaining walls, driveways, pool, etc.). They would identify the current condition and anticipated remaining life of each item, to prepare a financial analysis of budgeting needs over the next 5-20 years. Such a plan would provide the board and the management company with the information needed to develop and pay for an ongoing maintenance plan. Both companies warned that the Reserve Budgets would need to be increased significantly.

## PROPERTY MANAGEMENT SELECTION Q & A From Owners

### Q: How do the companies' work order processes work?

A: With both companies, work orders can be submitted on-line, by email or by phone. One company also uses AI texts. When the work order is submitted, the Community Association Manager (CAM) will review the request to see if there is enough information and based on the *Association vs Condo Owner Responsibility* chart, determine who is responsible for the work. The CAM will then respond to the owner in the same manner the owner made the request, to let them know the request was received, and ask any questions that might need to be answered. They will also let the owner know if the on-site or in-house maintenance workers will be handling the work order, if it will have to wait for an outside vendor or if will be covered by annual or bi-annual services. There will be notification to the owner as needed for these outside types of work orders. There will be notification to the owner when the work is completed. The owner still has time to question the work order, because it will not be closed until the invoice is paid. Work orders can be reopened if necessary.

**Q: Can Autumn Lakes use a provider we have worked with in the past, or do we have to use the management company's "preferred" vendor?**

A: Both companies will honor existing contracts. They will both allow us to use a vendor that we have used before. To avoid long waits for bids, both companies recommend using companies you trust without getting bids every single time. Bids would just be obtained once in a while, but especially for large projects to make sure they are still competitively priced.

**Q: Will the companies have better relationships with vendors?**

A: We were told they do. Both companies are committed to action.

**Q: Would we still have on-site maintenance staff?**

A: The committee has been discussing that option with both companies. They are both willing to provide an on-site person or guarantee 24 hours of their in-house maintenance staff working in Autumn Lakes each week. The board will have to decide how to proceed and how many hours we want on-site. There was also discussion about how skilled the on-site person should be. Do we need a clean-up maintenance person, a handyman or a skilled worker? The board will be providing the chosen company with the tasks we have had Chris doing.

**Q: How will the new company take care of ponds, lawns and trees?**

A: They will honor all contracts currently in place.

**Q: When will they have financials available?**

A: One company will have them about the 15<sup>th</sup> of the succeeding month; the other will have them by the 25<sup>th</sup> of the succeeding month.

**Q: Who does the reserve study?**

A: The study is performed by a 3<sup>rd</sup> party to assure no bias in reporting. Suggestions of well-known RS companies were made by both of the Property Management Companies. One of the PM companies has the ability to integrate the reserve study into the financial reporting. This would keep the reserve study details up to date each year.

**Q: How much is in our reserves? How do we know what we can afford?**

A: This meeting is not about money. It is about the process of selecting a new property management company.

**Q: How long does a reserve study take?**

A: We've been told it will take 3-4 months.

**Q: Why haven't we done a reserve study before?**

A: The board had heard a little bit about them when changing companies before but didn't know much about them until attending trustee training this spring through CAI (Community Association Institute). The board is very interested in getting a study done for Autumn Lakes.

**Q: Will the board be reluctant to use the reserve funds to get the buildings repaired or for planned maintenance?**

A: Laura responded that the board has always had reserve accounts for larger projects of planned maintenance. The board will continue to use reserves for appropriate projects.

**Q: Do we know the retention rate of these companies' community property managers?**

A: For one company the newest CAM has been on staff for 3 years. Many have been with the company 20 years or more. They retain 95% of their clients year to year. The other company focuses on work-life balance, with the lowest seniority being 6 years. They retain 97% of their clients year to year.

**Q: Will the new company manage the resale certificate process (for units/home sales)?**

A: Both companies would manage that for Autumn Lakes.

**Q: Is the board looking at including deck upkeep?**

A: The rules about the upkeep of decks will not change. That responsibility is the owners.

**Q: How soon will the board make the decision which company to use?**

A: The committee will be making their presentation to the board in late September. The board will then vote and finalize the contract in early October.

**Q: How will the transition from SMG to the new management company be handled?**

A: Both companies have transitioned SMG clients before. They have a good idea of how the handoff will work. Information will be passed to the new company in November and December so they can begin setting up owner accounts, financial accounts, procedures, etc. The final balances for owners' accounts and AL accounts will be transferred in January.

## **INSURANCE MEETING TOWN HALL**

On 9/27/23 a Town Hall meeting was set up to answer questions from owners about our insurance situation. Speakers included Todd Billy, the lawyer from Sandberg Phoenix, who is handling our fraud case, and Jim Ruebsam, our new insurance broker from Daniel and Henry.

Included with this gazette is the **Condo Owners Guide to Insurance** with the information for our new insurance and what insurance you need for your condo. Jim Ruebsam, Daniel and Henry, tells us that the certificate of insurance is not usually needed unless you are selling your unit. **If you are selling or your mortgage company requires one, you can email [JRCOs@danielandhenry.com](mailto:JRCOs@danielandhenry.com) to get a certificate specifically for your unit.**

Todd Billy explained the progression of the awareness of the insurance fraud perpetrated by J. Walsh Insurance. It started with one condominium association questioning a claim denial. It was discovered that the insurance premium had not been paid to the actual insuring company by J. Walsh Insurance for the 2022-23 year. Other questions were raised, and as word got out, it was discovered that 20+ condominium associations were victims of J. Walsh Insurance, including Autumn Lakes. Several well-known insurance companies were used to perpetrate the fraud. This is all still under investigation.

Jim Ruebsam gave some history about the insurance market changes that have affected the difficulty and additional expense involved in getting condominium insurance. The condominium insurance market started collapsing mid-2022 and was really having problems by February 2023. The insurance companies buy reinsurance to help offset the risk they are covering. The reinsurance global marketplace sets prices for insurance. But the reinsurance company investors have been losing money for about 7 years due to all of the major disasters around the world. The investors pulled their money out. This increased the demand for insurance and the cost of insurance. The number of companies that would insure condominiums dropped from 20 companies to about 5. American Family was the largest with 3 times the market share of other companies in Missouri. Now they will only insure communities with 10 or fewer buildings. The best communities are seeing 25% price increases, other communities are seeing 50% to 100% increases. This demand for insurance is also why we're seeing the fireplace and grill restrictions – the companies are trying to reduce risks and identify the safest communities.

Jim explained that a number of entities came together to quickly help the many associations that were victims of J. Walsh Insurance obtain property and liability insurance. Daniel and Henry was able to procure replacement insurance fairly quickly, although new rules had to be quickly implemented along with higher deductibles. Information about the new policies can be found in this packet or on our website, AutumnLakesSTL.com. Your personal insurance agent can also request a copy of the Certificate of Insurance (COI).

## **LEGAL AND INSURANCE Q & A From Owners**

**Q: Is there any legal action being taken/planned against Jim Walsh Insurance? If so, what type of action and who would be handling it? How long has this suspected fraud been going on?**

A: The case(s) have been turned over to the Missouri Department of Insurance, the Attorney General, USPS and other federal agencies. The earliest case of fraud so far was found to be early last fall.

**Q: Does J. Walsh Insurance agency have E&O insurance? Is that a potential source to reimburse victims?**

A: Because this was fraud E&O (errors and omissions) insurance will not come into play. Also remember that this is a white collar crime and Missouri has a significantly understaffed investigative unit. This most likely will take years to resolve. Unless money is recovered, pay outs are unlikely, particularly for premiums.

**Q: Where is the copy of the Master Policy? We need to submit the declarations page and policy coverage to our insurance agent.**

A: The Master Policy copy is kept at the management company. A copy of the owner's guide for personal coverage is being mailed to all owners. In addition, these can be found on the AutumnLakesSTL.com web page and on TownSq. Owners should be carrying HO6 Insurance, not house insurance that covers the exterior.

**Q: Were insurance companies compared for pricing on our master policy? Should we compare our personal insurance companies for pricing? We have talked with our insurance agent and were told we can add fireplace coverage. Can we opt out of the HOA insurance and get our own with fireplace coverage?**

A: The new master policy is already in effect, costing about \$100,000 more than last year's policy. All available commercial carriers were asked to quote, but responses were limited because of our size (10+ buildings), wood burning fireplaces, and grills/firepits on decks. Rules for these two items were immediately put in place to ensure we had more options, but most companies still felt the rules were too new, with no track record of enforcement, and they declined to quote. It is always recommended that owners get comparisons on their personal insurance. Owners should make sure they are being quoted HO6 policies (as a supplement to the master policy). Missouri law and condominium documents also come into play. The bottom line is that **you cannot insure what you don't own.**

**Q: Who said we could not have wood burning fireplaces because it is not an ordinance in Maryland Heights or St Louis County? Do we save on insurance by excluding the use of grills and fireplaces in our AL community? Could insurance be gotten that would cover wood burning fireplaces, but just cost more? How much more would it cost to get this coverage?**

A: Restrictions on wood burning fireplaces is not an ordinance. It is an insurance restriction (NFPA - National Fire Protection Association). Grills/fire pits are covered under the St. Louis ordinance. This factor was coming into play as commercial insurance policies are being renewed this year. Many commercial insurers will not quote for multi-family buildings with wood burning fireplaces. If they do, there is a hefty additional premium. For Autumn Lakes, the lowest quote we could get was an additional \$100,000 to be shared by all condo owners, whether they had wood burning fireplaces or not. Should a fire caused by a wood burning fireplace occur, the master policy would most likely be immediately cancelled, and new insurance would be unobtainable. We would have to become self-insured at a far greater cost. Most residential insurance companies now charge owners extra if there is a wood burning fireplace. Now that option is only available for single family homes. There are no commercial insurance companies that would insure for grills/fire pits on multi-family buildings in St. Louis County.

**Q: Can an individual owner provide proof of an inspection and get an exemption? We have talked with our private insurance agent and they said we can add my fireplace?**

A: State law and governing documents require the Association to carry property insurance on the exterior (considered communally owned) of the condominiums. The exterior of the unit includes the roof and chimney chase. It is the commercial insurance companies that have become unwilling to provide coverage for complexes with wood burning fireplaces. Insurance companies have the right to include restrictions when they take on the risk liability (See prior question). They will not take into consideration an individual owner's "promise to properly care for their wood burning fireplace".

**Q: Explain why gas fireplaces are ok, but not wood. and why gas fireplaces, but not gas grills?**

A: I don't have an answer for you, and don't agree, but this is an NFPA recommendation.

**Q: Does the fire safety association, or the insurance industry have rules about storage of propane grill?**

A: You will need to check with your local ordinances. Missouri Department of Public Safety recommends disconnecting the propane tank from the grill and storing it outside.

**Q: In a statement we received, it said nothing about electric grills, just gas and charcoal. Can we have electric grills?**

A: Electric grills/smokers that only reach a maximum of 200 degrees are acceptable, but it must be verifiable in the directions and on the gauge.

**Q: Does a composite deck make a difference?**

A: Not according to the insurance companies or the St. Louis ordinance.

### QUESTIONS FOR THE HOA

There have been a lot of questions centered around the need for new rules in order to obtain master policy insurance. The reasons have been explained by the insurance broker. But some of the questions below have been sent to the board requesting more information. The Board is only trying to make sure your property values are protected, by following the requirements of the insurance industry and county ordinances.

**Q: When can we expect to find out what this insurance will cost each owner? When will we know?**

A: This will be determined as we work on the budget for 2024. Remember that other line items are going up as well (i.e. water and sewer). To obtain a rough idea of how additional insurance costs might add to the condo HOA fees each month, divide the increase by 294 (the # of condos) and then divide by 12. So, for each additional \$100,000 per year there would be an average cost increase of \$28.33 per month. This is an average, as condo costs actually vary by a percentage of ownership assigned to each unit (based on the formula devised by the builder) not a fixed number. So, some might go up by \$30 and some might only go up by \$26 per month.

- Q: Shouldn't our homeowner's master insurance policy reflect the needs of our predominantly senior residents?**  
A: The age range of our owners is now much more varied than it was 15-20 years ago. The cost to maintain the complex is based on today's overall costs not who owns the units.
- Q: Will the Board consider offering a credit to homeowners to assist in the cost of converting fireplaces over to electric or gas?**  
A: HOA credits would have to come from the owners. There is no precedent for the owners who have already upgraded their own units to have to pay for upgrading anyone else's unit.
- Q: Maybe the association could seek a discount to convert multiple units at one time.**  
A: Seeking a multi-unit discount might be a solution for owners who want to convert. The cost will vary depending on the location of the fireplace from a gas source and the ceiling below (dropped, solid or none) and the size and type of insert desired. Since these would be residential inserts, it would not be done by the HOA.
- Q: Are there local, state or federal programs that could help with the conversion from woodburning to gas fireplaces?**  
A: As an association, we would not be eligible for charity funds designated for a 501(c)3 organization because we are not one. However, there may be other programs that might assist an individual homeowner. The St. Louis County Government Home Improvement Program offers up to \$7,500 for home repairs for eligible Maryland Heights' owners, at no cost. The program ran out of funds by mid-year, but if you need assistance, it might be worth checking out to see if you are eligible for 2024.
- Q: Can BBQ grills be stored or used on the common grounds in back of units?**  
A: They cannot be stored on the common grounds at this time. The immediate concerns are upkeep, added labor to mow around them, propane tanks, and theft. However, there are some associations that have placed concrete pads with bolts for joint usage behind buildings for communal grilling. The logistics and how to pay for these would need to be worked out. This could also be a request and decision made by a particular building if every owner in that building agrees. Solutions would be welcomed by the Amenities committee. Send possible solutions to [AutumnLakesBoard@gmail.com](mailto:AutumnLakesBoard@gmail.com). A grill could be pulled out and used on the common ground as long someone is there monitoring it, and it is put back out of sight following use. Grounds must be cleaned up as well.
- Q: How much will fines be? Also, where would the money go from the fines?**  
A: The goal is to keep the complex in compliance. Fines have to be significant enough to act as a deterrent to putting the whole complex into jeopardy. We have already been made aware of a few intentional violations. There is a \$50 fine per day per grill/fire pit left in sight on patios or decks after 10/9/23. Use of a woodburning fireplace has an initial fine of \$100. A second occurrence is \$250. Each occurrence thereafter is \$500. Fees go into the general fund. The board is hoping that we won't have any of these.
- Q: Can we opt out of the HOA so we can use our woodburning fireplace?**  
A: Condo owners cannot opt out of the association or coverage by the master policy.
- Q: How is it legal to tell people who purchased a unit with a wood burning fireplace they can't use it?**  
A: As noted above, the association (at the cost of the owners) must have a master insurance policy. In a condominium complex, the needs and costs to the whole community are greater than the wishes of a few. Rules and regulations are changed over time, as needs change.
- Q: Not being able to use my woodburning fireplace devalues my property value.**  
A: According to the U.S Census Bureau, the number of new homes built with a fireplace has been steadily decreasing since 1990. While a non-working fireplace may be a deal-breaker for some buyers, it may not be for others. In fact, some buyers may prefer a home without a wood burning fireplace because of the maintenance, upkeep, environmental and health concerns. Other condominium communities already have or will have similar regulations as their insurance is renewed in the next year.
- Q: How would you market your home if you have a woodburning fireplace that the buyer cannot utilize if they purchase it?**  
A: The seller is responsible for disclosing this information. A notice, much like the no leasing notice, is being considered as an addition to the resale packet so there is no confusion for buyers.

## UPCOMING EVENTS

**November 1<sup>st</sup>:** Residents and Owners are invited to the clubhouse at 7 pm to meet our **NEW** property management company representatives and **Community Association Manager (CAM)** and ask questions. Check our website [AutumnLakesSTL.com](http://AutumnLakesSTL.com) for the link to the Zoom meeting.

**November 29th:** Next Board Meeting will be at the clubhouse and will also be available via Zoom. The meeting will start @ 7:00pm. Check the AL website: [AutumnLakesSTL.com](http://AutumnLakesSTL.com) for the link to the Zoom meeting.

## REMINDERS

**Prepare for the cold weather:** Owners should disconnect and store their outside hoses by the end of November. They should also turn off the water to the outside faucet at that time. This will help prevent frozen/broken pipes during the winter. Contact a board member if assistance is needed.

**Maryland Heights Utility Rebates:** The City of Maryland Heights refunds municipal utility taxes (water, gas, electric and phone dated November 2022 through October 2023) to our senior and disabled residents. You must qualify to receive this benefit. Contact Maryland Heights at 314-738-2599 to get more information or make an appointment. The last date to apply for a refund is November 30 from 9:00 a.m. to Noon

**The next Autumn Lakes Association Meeting is 11/29/23 at 7 pm  
at the Clubhouse and on Zoom.**

