

HOA ADVISORS

MAGAZINE

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ASK AN EXPERT



I am having a problem with one of our Owners. It seems they put up holiday decorations, and then leave them up until the next holiday comes around. I have spoken to them numerous times but it does no good. What options do I have to get these people to take down old decorations?

[SEE THE ANSWER INSIDE.](#)

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ASK AN EXPERT



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Bill has been in the management industry for more than 25 years and has experience in Apartment, Manufactured Housing and HOAs.

Q: I am having a problem with one of our Owners. It seems they put up holiday decorations, and then leave them up until the next holiday comes around. I have spoken to them numerous times but it does no good. What options do I have to get these people to take down old decorations?

A: Your question brings up a couple of my own. 1. Are you self managed or do you have a management company? 2. What criteria are set forth in your documents for Holiday Decorations?

I know these sound like totally unrelated questions, so let me clarify my thoughts to you. Self managed communities tend to follow the “knock on the door” type of enforcement, where there is no paper trail that can be used to help enforce the violation process. In some cases where I’ve taken over self managed communities, they don’t have a policy for violation enforcement in place because they don’t want to upset their neighbors and disrupt the flow of good will between the Owner/Tenants. Your documents will provide for Owner use restrictions, which should include a fining policy for consistent violators. It is a duty of the Board of Directors to enforce these restrictions in the self-managed scenario.

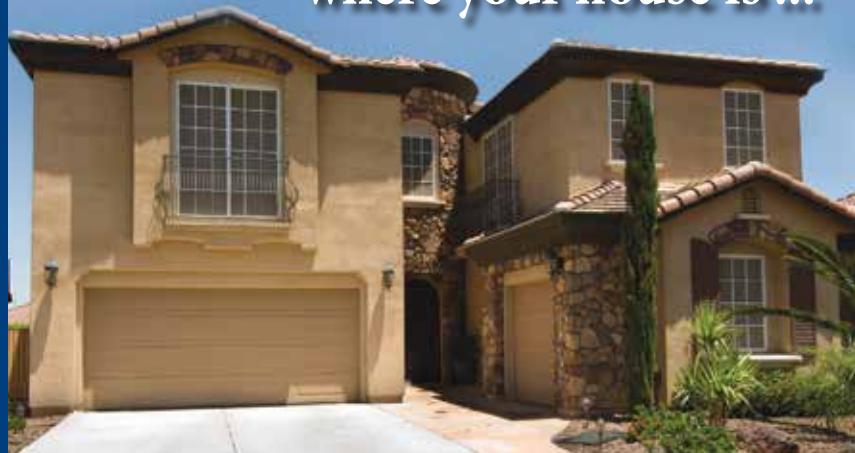
If you are managed by a professional management company and this is going on, find another company. The one you have now is probably in violation of the enforcement section of your contract.

Check your CC&R’s and Rules carefully. They will usually have a limit on the before and after time decorations can be put/left up. A very good rule of thumb is no earlier than 15 days prior, no later than 15 days after any holiday. The exception here would be the Christmas/New Year holidays where custom is that decorations are put up the day after Thanksgiving and left until after New Year Day. If they do not contain verbiage on Holiday decorations, the Board is empowered to create reasonable rules to make this a requirement. If you have to make a rule to cover this, remember that in most cases it is not enforceable until 30 days after the members are given a copy of the rule.

Once this is done, follow up with written violation notices in accordance with your fining policy. After the violator has received an appropriate number of notices (no less than 3) the Board can look into turning them over to the Association’s attorney for legal enforcement action. I don’t have the space to go much further into this situation here, but feel free to contact me via email. I would like to discuss this situation with you in greater detail. **HOA**

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HOA ADVISORS



EDITOR's Note

The purpose of our magazine is to provide timely, relevant and unbiased information to Board Members in order to support them in their roles and responsibilities. It is our hope that by providing a trusted resource to the HOA Board member it will raise the standards of practice in all aspects of the HOA industry.

HOA ADVISORS MAGAZINE is a unique educational resource magazine for the HOA industry. Published quarterly, our magazine is provided free to Board Members, if you are not receiving your copy please go to our website (www.hoaadvisors.com)and signup to receive our quarterly mailings. There is no cost to receive and we will not share your information.

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A FOCUS ON BUDGETS

HOA-USA Staff Writer

In practically every discussion of topics related to HOA governance, it is important to remember that one size does not fit all. Association type, size and complexity all contribute to the application of best practices. Consider how the following factors can define the simplicity or complexity of budget preparation.

- Even a small single-family association with less than 50 homes and no amenities can easily have a budget of \$25,000. It is not unusual for many associations to have budgets in the hundreds of thousands of dollars, and most large-scale associations have annual operating budgets that exceed a million dollars.
- Condominium and townhome associations with greater responsibility for common areas or exterior maintenance will typically have far more contracts for services.
- Many associations have complexities associated with foreclosures, absentee owners, aging infrastructure and high assessment delinquency rates.
- Over seventy percent of associations are self-managed and many struggle with board turnover or expertise. Contrast this with associations that benefit from

expertise from a management company, reserve specialist, accountant, and attorney.

Most Associations Will Have Two Budgets

The “operating budget” includes line items for annually recurring expenses such as landscaping, management, insurance, utilities, and other services. The “reserve fund” is money collected as part of each lot owner’s assessment for the repair and replacement of major capital items. Examples include new signage, re-paving, clubhouse renovations, exterior painting and roofing of town homes, replacement of carpet in condominiums

Start with a Review of State Statutes and Governing Documents

The board should start early and give itself enough time to develop the budget as well as meeting critical deadlines associated with providing notice and obtaining approval. Having a budget calendar is helpful. Look to state statutes and the governing documents for requirements regarding dates and timeframes related to board adoption of a proposed budget, notice and review periods by members, actual adoption, fixing of annual assessments, and notice of annual assessments. Some states and governing documents require member approval and specific quorums while others utilize a ratification process that the budget is approved unless a

majority or more of the membership attends a ratification meeting and rejects the budget. Governing documents often include language that the annual assessment cannot exceed the previous year by more than ten percent.

After completing this review, it only takes a little extra effort to develop a written budget policy that defines the process, key dates, quorum requirements, and necessary votes. This document will prove helpful when presenting the budget to the membership for approval.

Signing Contracts for the Next Fiscal Year

Most associations have contracts with multiple vendors. These may include management, landscaping, stormwater and pond maintenance, accounting and tax returns, pool maintenance, insurance, snow removal and the list goes on. Focus first on the largest contracts. The objective is to agree on expectations of service to be provided, negotiate price and then conclude the process with signed contracts. This avoids spending surprises that exceed budgeted amounts in the next fiscal year.

Budgeting for Reserves

Most associations have responsibility for common area elements that require maintenance or replacement costs that exceed \$10,000. This includes major capital projects such as roofs, paving, pools, painting, clubhouse renovations,

irrigation and security system upgrades. With large condominiums the list expands to include HVAC systems, boilers, elevators, windows, balconies, etc. The solution is that the association should have a reserve study performed that takes into account useful life, repair or replacement costs and a long range funding plan. For a small association with only an entrance sign, simple spreadsheet calculations may be sufficient. For medium size associations, there are software applications that get the job done. At the higher end of the spectrum, large associations are advised to have a reserve study conducted by a certified reserve specialist every three to five years. Some states as well as mortgage companies now require associations to have a current reserve study and even a reserve fund that equals a specified percentage of the operating budget.

Associations that do not adequately plan and budget for reserves often end up with deteriorating infrastructure that adversely affects property values. Percentage of homes for sale and rental properties will increase. As a means of holding assessments constant, boards may defer adequately funding the reserves and pass the buck to the next elected board. This is a dangerous practice that usually results in extreme special assessments for which the members are not prepared. It is also particularly unfair to new residents that learn that they may be required to pay for the failure of previous boards to exercise their fiduciary responsibility. Efforts to sue in court only result in attorney fees that must then be then shared by all members. It cannot be stressed enough that the budget process takes into account adequate funding of reserves.

Budgeting for Noncash Items

Imagine that the budget has been approved and assessments calculated based on the number of lots/owners. But what happens if ten percent or more of the lot owners are delinquent. If the budget does not include a line item for noncash items such as bad debts, then the difference will have to be made up by reducing expenses or increased income from paying members with a special assessment or with a loan. The noncash expense for bad debts is often even worst when the costs of legal fees are included. What about an unbudgeted large deductible expense for an insurance claim? Another example is the legal costs associated with a lawsuit that is brought during the fiscal year but which was not anticipated in the budget. The board should give careful consideration to including noncash items in the budget.

Revenues

After working on the expense side of the ledger, consideration must be given to revenues. Many associations will not have any non-assessment revenues other than interest expense. However, the following are some examples that should not be overlooked.

- Fees from clubhouse rental, non-member pool fees, marina fees and similar types of income
- Timber leases and harvests
- Cell tower leases

Prior Year Actuals

At some point in time the board should review prior year actual expenses and revenues. Watch for potential increases in utility fees. Some items will be difficult

to project such as costs for irrigation or snow removal.

The “Miscellaneous” Line Item

Industry professionals are often divided over the need for a miscellaneous line item. This budget category needs to have a list of possible uses so the board has some guidance on how to proceed in spending the funds. If an association doesn't use the full amount budgeted during the year, it should consider reducing the amount for the next year.

Current Year Carryovers

As nonprofit corporations and consistent with IRS rules, most associations will adopt an annual resolution carrying any year end surpluses forward into the next year's operating budget. Any spending of year end surplus funds should benefit all members. While ‘blowing it’ on a yearend party might seem like a fun idea, it is widely discouraged.

Developing the Proposed Budget

By now, most of the necessary research is complete and it is time to develop and finalize the proposed budget.

Boards that are developing their first budget after going through transition from developer control to a resident elected board should be prepared for “assessment shock”. As a fairly common practice, developers will often subsidize or absorb expenses so as to realize artificially low HOA assessments and therefore improve the marketability of the community. The wake-up usually occurs when the first board realizes the need to disproportionately increase assessments. Unfortunately residents will often place blame with the newly elected board unless

special efforts are made to inform and educate. For associations that have survived the first budget year, remember it is easier to gain member support for a two to three percent budget increases each year rather than face a ten percent increase every three years.

Since most boards do not want to become a lightning rod for disgruntled members, there is a strong temptation to maintain the budget status quo. As a result, reserves are often underfunded, noncash items are overlooked and risks taken that will hopefully get the association through until board members resign or terms expire. If this practice continues over several years the association may find itself under significant financial stress. This typically also leads to challenges in finding strong leadership to serve in the future.

It is critical that the board perform

its fiduciary duty in preparing a realistic proposed budget.

The Budget Approval Process

As was pointed out earlier, there are wide variations in state statutes and governing documents regarding the budget approval process. This includes procedures regarding providing notice, board authority versus member authority to approve, ratification, and notice of assessment. Associations contracting with management companies will benefit from professional knowledge and experience as well as expertise from accountants and attorneys. Boards of self-managed associations are encouraged to consult with industry professionals when necessary.

The Consequences of a Budget that is Rejected by the Membership

In some associations the authority to approve or reject the budget rests with the membership at a properly called meeting. In other associations, the authority to approve or reject the budget rest solely with the board or in many cases is considered ratified at a separate meeting unless a percentage of the membership votes to reject the budget. Given the challenges of obtaining voting quorums at annual meetings, it is not unusual that few if any members attend the budget ratification meeting and consequently few board proposed budgets are rejected. In the circumstance that the budget is rejected, most state statutes and/or governing documents provide that the association continue in the next fiscal year on the basis of the existing budget. 

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ADVOCATING YOUR POSITION EFFECTIVELY

WHILE ALSO BEING CIVIL IN THE COMMUNITY ASSOCIATION ENVIRONMENT



By Julie Adamen
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Much has been written about the lack of civility within community associations, and in particular, between board members and homeowners. Why do these situations arise so often? One person said she thought it was because “condo meetings almost always lend themselves to arguments because, just like a marriage, money is involved.” While there is validity to that statement, I believe the reason there is so much conflict in communities has more to do with a lack of appropriate communication on matters at hand, very poor advocacy and communication skills on the part of individuals, and virtually no consequences for the obstructionists. Add ego, frustration, plain bad manners, and certain psychological disorders, and you have all the ingredients for the average cantankerous association meeting. Let’s look at what can take some of the fight out of fight night.

There Can Be No Civil Discourse If the Association Doesn’t Provide the Basic Structure for It

It is the responsibility of all Boards of Directors to provide the platform for civil discourse for their community. Without this platform, owners and even Board members are left to find their own way in how to best communicate within the structure of the association. This hit or miss approach can lead to great frustration, and eventually to outright anger as members struggle to take part in the process of community governance without a clearly defined path. Though failing to adopt a defined platform for communication is usually benign neglect on the part of the Board, it can be very detrimental to civil discourse

within the community. It may also give the Board the appearance of being secretive and/or elite, giving rise to a lack of credibility in the eyes of the owners.

Adopt Basic Parliamentary Procedures. All Boards should adopt some sort of basic parliamentary procedure so there is structure within which to conduct their meetings, including membership meetings. Boards should also publish and distribute procedural information to all Board members and homeowners. Next, have an agenda for each meeting, and follow that agenda. If homeowners are present and wish to address the Board, there should be a designated time for them to do so, within or outside the meeting, depending upon the particular laws in your state. Each person should be allowed 3–5 minutes to speak, depending on which rule your Board adopts. Adopting---and following---these simple suggestions will go a long way toward promoting civil discourse among your Board members and owners.

Communicate Regularly with Owners. One of the major reasons associations have so many seemingly silly problems is a lack of communication between the Board and the owners. When there is an information vacuum---believe me---it will get filled with gossip, innuendo, and downright falsehoods. This situation not only adds to the negative image of your association, but it also makes it very hard for a Board to remain credible in the eyes of the owners, despite good intentions. Communicate regularly via newsletter and website.

Many communities neglect their newsletters because they think they need to publish the New York Times, and the volunteers just don’t have the time or skill to write long and informative prose. Both of these assumptions are incorrect. Newsletters are best when they are two to four pages long. And for Boards that don’t include members with the time or skill for writing, there are newsletter services out there that specialize in community association publications. For a very reasonable price, these organizations will take your minimal input and

produce a professional, top-notch newsletter.

Turn to the Web. Websites are very, very valuable for getting out information in real time. Websites, however, do not diminish the need for a snail-mail newsletter; in fact, quite the opposite is true: the newsletter should be driving members to the website for that real-time information. Be aware that if you do go this route, your website must be kept up-to-date (and there are several companies that provide this service at very affordable rates). If your owners go to the site looking for the minutes of the last Board meeting, and the most recent they can find are minutes from 2002, you have created another credibility problem through very poor communication.

Developing and Maintaining Credibility: The Crucial Element to Effective Advocacy

Recently, I attended two meetings of the owners in my own association, in which I am a Board member. The meetings pertained to a proposed amendment to our governing documents. The amendment would change our method of assessing unit owners from staggered assessments based on square footage to a uniform amount for each home. The first meeting, held 60 days before the second meeting, was informational only, with the Board taking questions from about 80 attendees. This meeting went relatively well, and the following week ballots were sent to all owners on the issue. The second meeting was a general membership meeting on the budget, as well as the final date for allowing members to cast their votes on the proposed amendment. The vast majority of owners were in favor of the change because it lowered almost everyone's dues except the affected few, who will be facing slightly higher dues.

At the second meeting, there was a (small) group of folks who just didn't like the changes proposed, and by gosh, they were going to let everyone know about their feelings! As political process, this is the way it's supposed to work: everyone has a say, tries to persuade others to see their point of view, and then votes on the matter. From my perspective, watching this particular group of "opposition advocates" was fascinating because they made every classic mistake they possibly could for advocating their position, each one leading to a total lack of credibility. What are those "classic mistakes?" Let's take a look:

Strategies for Being an Effective and Civil Advocate

Be Proactive: Come Forward Early in the Process.

Whatever the issue you are for or against, you must come forward as early as possible in the process. In this

particular situation, complete information about the proposed changes was made available early and often to the owners. Despite this fact, the spokesman for the opposition failed to attend the first owner's meeting on the issue. Regardless of why the owner elected to skip the meeting, by not attending the meeting specifically designed for him and other owners to voice their opinions, the decision forced the spokesman to jump in with both feet at the final meeting. The result? He looked like a petulant spoiler instead of an advocate with a bandwagon everyone should jump on.

If you have a position to advocate, get in the mix as early as you can. If, through no fault of your own, you can come in to the process toward the end, you must adjust your message to fit that reality. Acknowledge your "Johnny-come-lately" status (a little self-deprecating humor goes a long way here), and advocate in a clear and concise manner meant to sway---not alienate---as many people as you can in the short time you have to do so. You do not have the luxury of being able to go back and fix what you may have broken with a less-than-stellar presentation.

Be Well-Prepared. In our case in point, the opposition group was prepared to do only one thing: let everyone know how unhappy they were in a most negative and confrontational manner. They were not prepared to present their position with information, facts, answers to objections, or a positive spin on why people should side with them.

If you have a position to advocate, make sure you go in to the arena with all available arrows in your quiver. Prepare an opening statement on why you are taking the position you are taking. Explain your reasoning and cite facts and events. Provide successful precedents or actions by other associations. Anticipate objections, have answers to those objections in hand, and present them before anyone has to question you. Summarize your position concisely and reasonably, and thank the group for listening. This method develops credibility for you and your cause.

Be Willing to Change Your Position in Light of Facts.

Once again, consider our opposition group. As it turned out, the group had based their entire opposition position on an erroneous assumption. The erroneous assumption was pointed out and explained clearly to the group on several occasions. To make the error clear, the opposition group was also given the background, information, reasoning, and facts for the proposed change, including information from the association's counsel. Yet, in a stunning example of groupthink, the entire opposition group stuck to their original arguments, regardless of

the facts presented to them. Result? No credibility.

Clinging to a position that has no merit does not do you, or the group you may represent, any favors. You will not be seen as a tenacious leader crusading for a just cause; you will be seen as a person foolishly wasting his time and the time of others on a non-issue. Re-evaluate the facts and choose those that most strongly make your point. Letting go of what doesn't work presents you as the reasonable and thoughtful opposition, and it leaves the door open for you to advocate any position with credibility in the future. If you don't let go, you are fighting of the Battle of the Heart, having left your brains somewhere else. If you advocate a certain position publicly and passionately, only to find that the basic tenet of your position was in error, acknowledge it and move on but don't give up!

Be Passionate, Not Emotional. It was clear the moment he stepped through the door into the owners' meeting that our leading opposition advocate was very angry. His small band of followers followed suit, making snide remarks and stage-whispered comments behind their hands, glaring at the crowd, shaking their heads, and harrumphing whenever someone attempted to answer their concerns. This angry, hostile, and negative behavior wasted the group's credibility with the Board and other owners before even one of them had a chance to speak. Unfortunately, these folks made the mistake of letting their emotions get the best of them. When emotions rule, people say things they shouldn't, make baseless accusations and sarcastic remarks, and generally join the ranks of the polite-impaired.

People can become outwardly emotional when they have strong feelings about something, and for some reason homeowners associations and their dealings seem to bring out a lot of strong feelings. When you are trying to advocate a position, it is best to keep your emotions in check, yet let your passion for the subject come through. Nothing loses credibility faster than letting emotions run away with you, regardless of whether you are speaking to one person or to a large group. And nothing brings more people to your way of thinking than clear, passionate, logical, and positive advocacy.

Don't Make Empty Threats. Going back to our case in point, the opposition group, having failed to turn the tide of community opinion in their favor because of a poorly thought-out position, very poor advocacy skills, and downright bad manners, threatened litigation (surprise!).

Even at your most desperate, don't threaten to sue unless you mean it and have a course of action and the wherewithal to proceed. The minute any savvy

Board member or manager hears a threat, he or she will refer you to association counsel. Even worse for you, the board member or property manager will then be obligated not to speak with you on the issue at hand from that point on. The situation doesn't work out all that well if you didn't really intend to sue and were trying to get something accomplished for yourself or your group, because now you have no one to talk to but yourselves. Threatening litigation stops dialogue and negotiation in its tracks.

Let Go. Whether the position you are advocating "wins" or "loses," you must let go and move on for the betterment of the community. Nothing is worse than a gloating victor, except maybe the spoiled loser. Either way, you lose credibility for the next position you may wish to advocate.

All You Need to Know You Learned in Kindergarten

Common Decency Takes the Fight Out. As a former manager and now a vendor (consultant) and Board member, I still find it fascinating that people will do and say things as Board members or homeowners that they would never dream of doing or saying at work, or in their homes. It's as if they need a little fantasy world where they can vent their frustrations and yet face no little or no consequences, and they have found that satisfying world in their homeowners associations. I always want to ask these people: Didn't your parents teach you any manners?

It seems to me that we could all use a course in manners and civility in this country. Whether being an advocate for a position in your homeowners association, dealing with the clerk in the market, driving down the freeway, or talking on the phone to the cable company, there are a few basics of human decency to which we should all adhere. As Robert Fulghum said in his book All I Need to Really Know I Learned in Kindergarten:

"Everything you need to know is in there (kindergarten) somewhere. The Golden Rule and love and basic sanitation. Ecology and politics and equality and sane living."

I emphasize the sane living part of this wisdom-filled treatise on human interaction because this is what really applies to the position I advocate. Civil discourse within the structure homeowners associations is not only possible, it's far easier than many would think if we and our associations would only follow some simple, clear, and common sense tenets.

First, our associations must resolve to provide the

basic platform for civil discourse, and doing so starts with adopting parliamentary procedures and providing regular communication with owners.

Next, we as owners must do our part, by gaining and maintaining credibility so the position for which we advocate will be given the attention it is due. We must be proactive, coming in to the process early. We must be well-prepared and have all the pertinent facts that support our position at hand. If facts change, we must be willing to adjust our position to reflect those facts. This may require us either to abandon our advocated position altogether, or to adjust our talking points for positive advocacy and then continue on. We must not let our emotions run away with us because doing so makes us lose credibility very quickly, but we must allow our passion for the position to show through. If the tide seems to be going against us, we must not make empty threats. Threats make a mockery of the position for which we advocate, and credibility suffers the same fate. And, perhaps most importantly, we need to let go once the issue is over. No matter which position we were "for," it's the graceful and classy thing to do. And we maintain our credibility for the next issue.

Lastly, let's remember the things we learned in kindergarten. 



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BOARD DUTIES EXTEND TO THE COMMON ELEMENTS

By Vial Fotheringham LLC

On June 25, 2014, an appeals court held that a board has a duty to investigate any causes of damage to common elements and to pursue anyone responsible for that damage. *Fisher v. Shipyard Village Council of Co-Owners, Inc.*, No. 5241 (S.C. App. 2014). In *Fisher*, several of the condominium's buildings leaked water in rainstorms around the windows and balcony doors. This continued over the years causing damage to the common elements. Several years after the leaks were

brought to the attention of the board, some repairs were done but not within industry standards. As you may have guessed, the leaks did not stop and the water damaged areas expanded. Eventually numerous unit owners sued, arguing that the association's obligation to maintain the common elements meant the board had a duty to investigate the leaks and find a solution. The appeals court agreed that a board has a duty to investigate but mentioned there is a presumption a board acts in good faith and it is up to the unit owners to prove otherwise.

This case has numerous implications. If you see cracks in a building, hear

about leaks after a rainstorm, or see anything in the common elements that is damaged or looks weird, the area should be investigated and the culprit identified. If this is not done the association runs the risk of not only exacerbating the problem but being sued. In the *Fisher* case the leaks could have been addressed a long time ago for much less than what it will cost now—almost \$11 million.

The lesson we learn from *Fisher* is that boards need to be proactive rather than reactive. We do not want you to end up like the association in *Fisher*. 

BANKRUPTCY MAY NOT KILL COLLECTIONS!

By Vial Fotheringham LLC

Lawyers love their legal maxims. One of my personal favorites is *incendium aere alieno non exuit debitorem*. It means a fire does not release a debtor from his debt.

Many people think that a homeowners association's assessments are completely wiped out when one of its homeowners files for bankruptcy. That is not true. Bankruptcy may not kill collections!

The bankruptcy laws and attorney articles about the subject can be difficult to understand. The general

rule is that "liens pass through bankruptcy unaffected." *Dewsnap v. Timm*, 502 U.S. 410 (1992). As recent as 2005, this general rule was discussed. The 9th circuit court wrote that "liens ordinarily pass through bankruptcy unaffected, regardless whether the creditor holding that lien ignores the bankruptcy case, or files an unsecured claim when it meant to file a secured claim, or files an untimely claim after the bar date has passed." *In re Brawders*, 325 B.R. 405, 411 (9th Cir. BAP 2005) (emphasis added). In *Brawders*, the Court held that the lienholder's failure to object to a Chapter 13 plan proposing to pay the lienholder \$9,350.00 did not affect the value of the actual lien. Rather, the lienholder

(1) was limited to \$9,350 from the Chapter 13 bankruptcy case, (2) could not collect the claim personally against the discharged debtors, but (3) the amount actually due and the amount of the lien were unchanged. What this means for an association is that it may still have its foreclosure rights should the debtor refuse to pay off the amounts incurred prior to filing for bankruptcy. *Incendium aere alieno non exuit debitorem*. Or, should we say, a bankruptcy does not release a debtor from his debt.

Caveat-the association's lien may be extinguished by a superior lien holder. The above analysis does not apply in that situation. **HOR**



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THE 3 FREQUENT CRITERIA BOARDS USE FOR HIRING A MANAGER AND THE 6 GOOD CRITERIA BOARDS SHOULD BE USING!



By Julie Adamen
Julie@adamen-inc.com

A long standing lament for Boards of Directors: "We just can't seem to find (or keep) the 'right' manager." Granted, finding and retaining good staff is always going to be a challenge in this business – the job is inherently difficult to do with a relatively low pay scale for the relatively high skill set required to perform the job well. Equally important is to recognize that Boards often bring this situation on themselves as they often inadvertently base their evaluation of current or potential management staff on three misguided criteria:

1. How often the manager will be on, or "walk," the property,
2. How much the manager knows about (insert one or more here) tree pruning, roofing materials, elevator systems, lawn fertilizer or what have you – in other words, how much detail the manager knows about the various trades which service the community, and
3. How close the manager lives to the property so s/he can be there in an emergency.

Although each of these items may seem important on the surface, basing the hiring of a manager/company or the evaluation of a current manager on the answers to these types of questions is a common yet critical error, because these criteria are based on sentiment, not logic. To many Boards, it "feels good" to know the manager lives a mile away "just in case." But the job of a community manager is to manage the day-to-day business affairs of the corporation, and the best interests of that corporation are served by a dedicated administrator (read: manager, a woefully inadequate term used in our industry) handling the community's issues and emergencies, communicating with vendors and owners from their desk, phone and PC.

So, what criteria should Boards look for when hiring a new

manager or to effectively evaluate their current manager? They need to look for someone who has the ability to effectively execute the agenda of the Board of Directors. They should be looking for, or evaluating their current, (a) professional administrator. There are six basic elements that make up an effective administrator.

Communication

Managing community associations means that your manager, or administrator, is in constant communication with the owners, the Board members, the vendors, their co-workers or your employees. That's a very large group of people in whose eyes the manager must have enough standing, or credibility, to convince, cajole, assign, direct, instruct, give or deny permission or give information in hopes of accomplishing some task or assignment, and to put forth the agenda of the Board of Directors. And this means the manager must communicate well in person, in writing, via email, on the phone, one-on one or in a group – sometimes a big group. Being an effective communicator makes the manager more likely to accomplish the directives of the Board.

Whether interviewing or evaluating, Boards should review letters, Board packets (if applicable) or some other original written material by the interviewee. In addition, be aware of the candidate's non-verbal communication and how you, as the interviewing body, feel when asking the candidate interview questions: Does s/he look me in the eye; Does this person make me feel as if I am understood; Does s/he make me feel as if s/he is competent, does s/he inspire my confidence in them, and if I were a homeowner, how would this person reflect on the Board?

Presentation

The clothes we wear make a giant difference in how we are perceived by others. This doesn't mean your manager/administrator must always wear a suit, but it does mean s/he must dress appropriately for the occasion as well as his/her professional status. How your manager looks, dresses and generally "presents" his/herself physically has a lot to

do with gaining and maintaining a certain presence and credibility in front of the owners as well as the Board.

Ours is a fairly conservative business. Boards should expect a certain professional appearance from their management staff. Piercings, flip-flops, jeans, tattoos and an “unkempt” look though fashionable is some circles, is not appropriate. The appearance of your manager reflects in either a positive or negative way on the Board. A manager who presents poorly can make the membership think the Board has set very low standards for the community.

Current within the industry

When evaluating your current or a potential manager, the Board should always look for the level of involvement the candidate has in the industry. Do they have any designations? Do they attend seminars? Are they involved with a local managers group, or with CAI? I say this not as a commercial for any one organization, but involvement within the industry shows dedication to the industry. Savvy Boards know that industry involvement also gives the manager many resources, from new and improved products and services to management strategies being used by their peers. These resources are potentially invaluable to the association(s) s/he managers. Forward-thinking Boards make this a requirement of their managers, and of themselves.

Organized

Organized in thought and organized physically, your manager or manager candidate must have information and resources at his/her fingertips. S/he must be able to develop a logical system that works for him/her and the community(ies) managed. How organized your current manager is easily quantifiable by the Board for whom s/he works. Evaluating a potential manager may be a bit more difficult – but still can be evaluated. For example, you may want to ask the candidate how s/he organizes an average work day, how s/he keeps track of events and deadlines (look for organizational tools, like a PDA), and what is his/her level of computer literacy and does s/he use an annual calendar for each association? Another hint:

Organized people usually look organized, show up on time or even a little early for appointments – like an interview – and always have communication devices with them.

Hates procrastination

Managing associations is not a job for procrastinators. If you are evaluating your current manager, ask yourself this: Does the manager start the hardest tasks first by simply digging in? Are everyday tasks completed in a timely manner? Does

the Board receive regular complaints from owners (referring to the average owners, not the squeaky wheels) that their calls are not being returned? Are simple tasks not being completed between meetings? Or, are the tasks assigned being competed right before a deadline looms with jaws agape? And does your manager have an “explanation” for every issue every time? Remember, where procrastinators go, excuses follow. Antennae up! These events are major red flags. Your administrator should always be pro-active, keeping you, the Board, on track and not the other way around.

If you are evaluating a manager candidate, s/he may be a great communicator, and present well, but may also be a procrastinator. If s/he is a procrastinator they most likely will be somewhat disorganized and have little if any industry involvement (too much commitment), and probably have no professional designations, always meaning to “get around to it.” They may also have been unemployed for periods of time in their careers for no discernable reason. Be sure to check his/her professional references, and try to ask specifically if projects were completed in a timely manner. Habitual procrastinators have a tendency to sabotage every work situation they have been in, especially in the relatively “unsupervised” world of community management.

Developer of office infrastructure

Information and requests for service are constantly bombarding the manager and the manager’s office. How well the manager develops the needed infrastructure to deal with this information is critical to the success of the manager and the implementation of the Board’s agenda. If the manager cannot develop and manage a system for his/her office to take calls on roof or landscape repairs, architectural review requests, off hour emergencies, or supervise ongoing maintenance programs, then that manager will inevitably be found out in the field trying to manage each situation as it arises. It may sound good in the short-term, but no manager can keep up with all that goes on even in a relatively small community: Pretty soon that manager is being chased downhill by a rapidly growing snowball. Not to mention it’s a huge waste of resources.

Another good measuring stick for existing staff is: Does the Board feel the need to micromanage the manager? This could be a sign that the manager cannot develop the needed infrastructure to handle the many tasks at hand. When looking for a new manager some of your questions should be directed as to how the manager handles his/her staff and staff development, how they manage incoming communications from owners and vendors, requests that must be routed to committees and how the manager handles follow up (thus providing customer satisfaction).

Boards: Tired of turnover? Tired of performance that doesn't meet your expectations? Then all Boards need to look to themselves and ask: Are we asking the right questions of our current or our potential manager, or are we basing our hiring or evaluation criteria on outdated thinking? When Boards are looking to hire a manager, or evaluate their current manager, they need to remember: You are hiring a professional administrator. Whether that person has good walking abilities, a short residential commute, or good handy-man attributes is, for the most part, irrelevant in today's management environment.

Boards rely on the manager and his/her ability to get your agenda across to the owners in a professional, competent manner. This means first and foremost you need an excellent administrator, one who communicates well with the owners, vendors and Board members. S/he must present well, instilling confidence in the owners and on behalf of the Board. To best serve any community s/he manages, the manager should, and the Board should encourage, participation in local events having to do with the industry, and indeed business in general. Equally important, the manager must be organized and not procrastinate – they must tackle the hard stuff willingly and with commitment. Lastly, the ability to develop office infrastructure is key to managing the entire process of community administration, ensuring that the Board not only looks good, but is effective as well. [HOA](#)

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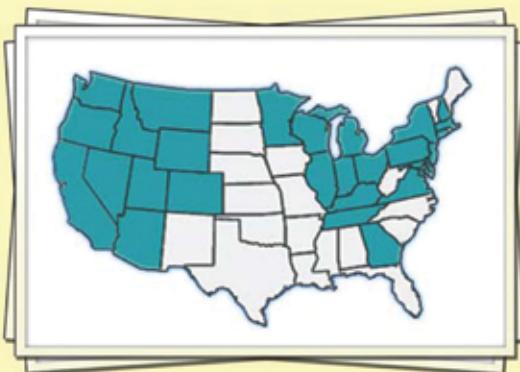
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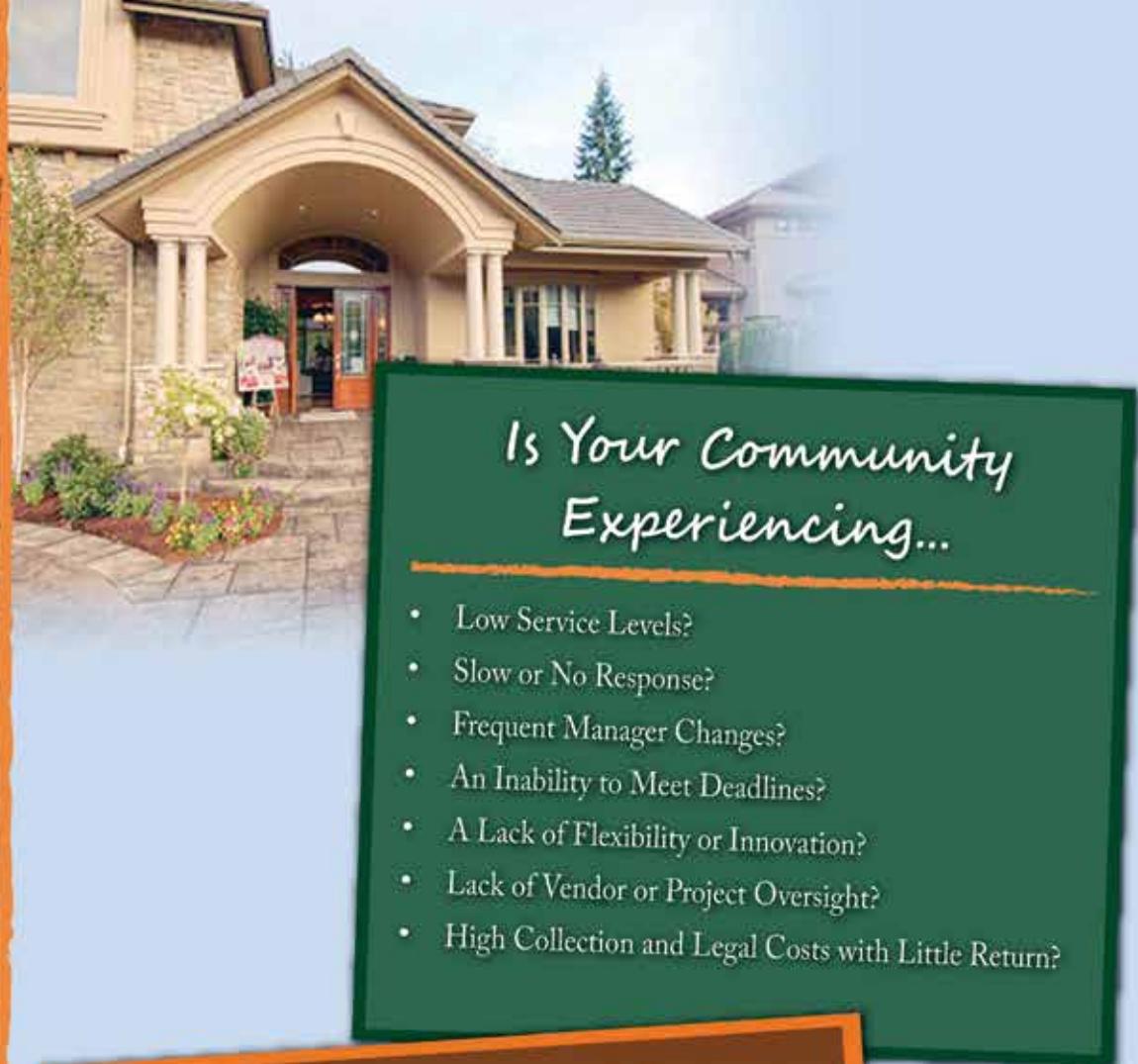
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TEN TIPS FOR SHORTER MEETINGS

By Kelly G. Richardson
Contributing Columnist

Board meetings require balance. While nobody appreciates a meeting in which brevity is the only value, unduly length meetings discourage and exhaust everybody – directors, audience and manager. After about three hours, good concentration and judgment is hard to come by. A length of 60-90 minutes is a very reasonable and achievable goal for most board meetings. Try these tips to get there.

1. Come prepared. Good managers provide boards with “board packets” in advance, helping directors come to the meeting prepared, avoiding time wasted as directors “get up to speed” about items set forth in the packet. Prepared directors are more efficient – read your packet.
2. Avoid overly ambitious agendas. Some issues can dominate a meeting, requiring 30 minutes or more. Try to handle only one such issue per meeting, if you can. Sometimes a board needs to meet more frequently, as there is too much to be done in one meeting.
3. Set the room up for a board meeting (not a town hall meeting). A board that sits facing the audience (and not each other) invites audience participation, but the audience was not elected to serve.

The semicircle is the best shape so the audience can hear as the directors talk – to the other directors.

4. Use open forum properly. Many meetings are too long because both board and audience fail to respect open forum. During open forum the board should not interrupt, and during the rest of the meeting the audience should not interrupt.
5. Use consent calendars. Most routine decisions should be handled via consent calendar. Assessment liens, routine bills and other non-controversial matters can then be passed with no discussion and one vote. Any director desiring discussion can pull an item from the consent calendar.
6. Don’t force unanimity. Some excessive deliberation results from over-emphasis upon unanimity. Unanimity is not legally necessary and puts too much pressure on directors who wish to disagree. Disagreement is not disloyal. Unanimity is important only on very important subjects on which the community needs to be shown strong board support.
7. It’s okay NOT to speak. Part of the art of being a great board Chair is recognizing when there is a consensus and it is time to vote. Part of the art of being a great director is recognizing when a motion is clearly on its way to passage so no further remarks are necessary.
8. Use committees. Major topics can be researched, analyzed and discussed in committees or task forces. Which then recommend action to the board. Committees also are a great place for members to become involved and to identify potential directors.
9. Keep on track. The Open Meeting Act requires that the board only discuss items that were disclosed on the agenda. Other spinoff discussions are tempting, but that is not fair to the members who did not know it would be discussed and distracts from the agenda at hand. Stay on target.
10. Adopt meeting rules. Meeting rules educate members regarding meeting procedures, set behavior boundaries and help curb disruptive behavior. Adopt meeting rules (and follow them!).

A one hour meeting is a good goal. Try hard to avoid exhaustive three-hour meetings. Efficient meetings are worthwhile, and will encourage others to take their turn at future board services.

Kelly G. Richardson CCAL is a member of the College of Community Association Lawyers and Managing Partner of Richardson Harman Ober PC, a law firm known for community association advice. Send questions to KRichardson@RHOpc.com. Past columns at www.HOAHomefront.com. All rights reserved.

TECHNOLOGY TO THE RESCUE:

VIRTUAL GREETER 75% LESS EXPENSIVE THAN ON-SITE SECURITY OFFICERS

Tami Vigilante
Vice President & Co-founder of Centralized Vision

Keeping one's community safe is of primary importance to any HOA. But the cost of hiring on-site security officers can eat up a huge chunk of association resources. Thankfully, new advancements in security systems technology can reduce costs significantly, without sacrificing quality of security.

With access to security cameras, gate controls, audio speakers, and the residential database live in real-time, virtual security greeters can be proactive, rather than reactive, and provide a level of service that would normally necessitate hiring a full-time on-site security officer.

Here's a look at what you expect from a good security solution, and the way they are handled by a virtual vs. on-site security service:

1. Control access

Automated gates can be circumvented by people who tailgate residents as they enter. But if the security officer is sitting at the gate all the time then they can't be roaming the community on alert for other issues. Centralized monitoring allows the virtual security greeter/officer to be everywhere at once – greeting residents and visitors vocally at the gate one moment and keeping an eye on a group of teenagers at the park across the community in the next moment. License plate recording and data base management keeps track of who goes in and out.

2. Recognize residents vs. strangers

A security officer may or may not get out of their car to meet and get to know residents. Facial recognition

software and resident database management makes it possible for virtual security officers to know who's who and act accordingly.

3. Monitor visitors such as maintenance personnel, landscapers and cleaning crews

An on-site security officer can only be in one place at a time, whereas a virtual security officer has access visually to all community common areas at once.

4. Detect suspicious activity and intervene

If the on-site officer happens by when suspicious or criminal activity occurs, he can intervene. With real-time remote camera monitoring, suspicious persons are easier to spot and law enforcement authorities can be notified immediately to intervene and pursue suspects.

5. Keep an eye on your community at all times

Virtual security greeters/officers are on-call 24/7/365, at one-quarter of the cost of the same availability by an on-site security officer.

If your association budget doesn't support an on-site security officer, or if you have one but would like to use that budget for other projects, the savings created by implementing our Virtual Greeter service may be the cost-effective solution you need to accomplish this.

Tami Vigilante is Vice President & Co-founder of Centralized Vision, a leading-edge central station monitoring company that offers (V.I.A.A.S) Video, Intrusion, Access Control, Audio Communication and Surveillance technology along with highly-trained Safety Certified Operating Technicians to monitor locations in real-time across the U.S. Learn more at www.CentralizedVision.com or call 602-889-8094.



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