

COMMUNITY MOMENTS

A RealManage Publication

Providing Exemplary Service Heather Peters, CCAM

Northern California Business Development Manager



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REGULAR FEATURES

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Words From Our President

With the month of August comes some of the best opportunities to enjoy all your community has to offer. From barbecues and pool parties to evening bike rides around the property, this is one of my favorite times to bond with family and friends. We at RealManage are busy making sure that your associations are functioning as smooth as possible and recognize how important the summer is for all residents in the community. We do not take the responsibility of managing your community lightly and want to consistently posture ourselves as a company with a servant heart. One of our cultural core values is selflessness. This is so crucial to providing meaningful service to you, our valued clients. We strive to put the needs of others above our own. Every time. Without question.

As we move into the latter part of summer, we will be looking forward to the upcoming budget preparation season. Be on the lookout for your Community Manager to start scheduling planning sessions and asking for feedback on 2017 budgets. As a team, we want to be as proactive as possible when it comes to forecasting and managing the use of your funds. Compliance, clarity and overall community cohesion are our goals as a company for the preparation of budgets and we want to continue to serve you with excellence.

Chris Ayoub
President

Employee Spotlight | Heather Peters, CCAM

By Noah Morrissey, Senior Vice President - Northern California



Heather Peters began her career with RealManage in 2012 and she is known for her commitment and dedication to providing stellar service to her client communities

Heather Peters joined the RealManage Northern California team in 2012. Heather has become an expert in the community management field since beginning her career in 2001 as a Community Standards Manager for a Del Web Sun City community association of 6,700 single family homes located in Lincoln, CA.

Native to Northern California, Heather Peters started her career with RealManage as a California certified Community Association Manager. She is known for her strong work ethic, being a team player, organizational skills, and poise. Heather's calm demeanor and ability to work through any situation she has won over clients facing the most problematic of issues.

Due to Heather's grasp of all things management and friendly personality, she was seen as a natural for sales and became the Business Development Manager for Northern California in 2014 while simultaneously assisting in the California operations in as a Community Association Manager.

In the winter of 2016, Heather was able to resume her duties as a Business Development Manager full-

time where her focus is to prospect for new clients by networking, establish relationships, negotiate and close management agreements and assist new accounts in the transition process. Clients and potential clients have had universal praise for Heather, particularly in her personality and willingness to go the extra mile for information.

"Heather Peters is one of the most driven and hardworking employees in our market if not the company," states Noah Morrissey, Senior Vice President, "I knew the first sales meeting I went on that we had a winner in Heather. Clients are drawn in by her sincere nature and honesty. If she does not have the answer when the question is asked, she does not give an answer simple to give one and people appreciate that."

We are proud to have Heather as part of the RealManage family. She continues to provide exemplary service and client satisfaction to her Boards and Members. Thank you, Heather, for your hard-work and commitment to providing the best service possible to our clients.



Reserve Funding Strategies

Written by: Joseph Gideon, Vice President – Illinois

All stakeholders in the HOA community can agree on the necessity and importance of HOAs investing in their reserve funds, but how much should your association put away? Which funding strategy is the right fit for your association? These are questions that do not have cookie cutter answers. The right answers can only be obtained by understanding the circumstances of your association and applying them to the funding strategy that best fits your association. In order to find the best fit, you must understand the funding strategies at your disposal, the risks associated with the funding strategies, and the funding strategy that best fits your HOAs ability to fund operational expenses and reserve study funding requirements.

The three primary reserve funding strategies used in the HOA industry are:

FULLY FUNDED

This strategy sets a reserve funding goal at or near 100% funded. The Fully Funded Strategy carries the least risk because the association has the capital to fully meet the funding requirements of the reserve study and deal with unforeseen contingencies. This strategy requires an association with strong financial health that can collect assessments that bring in enough revenue to meet operational expenses and the reserve study funding requirements.

THRESHOLD FUNDED

This is the middle of the road option, that sets a reserve funding goal which keeps the reserve balance above some predetermined threshold. This is generally more than “Baseline Funding” and less than “Full Funding”. The Threshold Funded Strategy carries more risk than the Fully Funded Strategy but requires less investment.

BASELINE FUNDED “Minimum Funded Model”

This is setting a reserve funding goal which keeps the reserve cash balance at the end of each year in the overall reserve funding projection at or above zero. This strategy comes with the most risk since the association has little capital to meet future reserve requirements or deal with unplanned contingencies. On the flip-side, it allows the association to keep assessments low.

So what is the best fit for your association? It depends on your association's willingness to assume the risk and its ability to fund operational expenses and reserve study funding requirements. If your association has good financial health a Fully Funded Strategy is recommended. If your association does not have the ability to collect enough revenue to reach the Fully Funded Strategy, aim for a middle of the road Threshold Funded Strategy.

CiraConnect Spotlight | Online Bill Payment

By Cheryl Veldman, Account Manager

Owners are encouraged to take advantage of online convenience by making payments through the Resident Portal. Owners have the option to manage their payments through the Resident Portal with the following options:

- **Make a One-Time Payment**

Via an e-check, which can be processed free of charge.

Pay with a credit card. There is a processing fee charged by the banking institutions as a convenience fee to process the payments. The amount of the convenience fee will be stated on the Resident Portal (or on CiraMobile) so the owner is aware before committing to the payment. This is not a fee that we have the ability to modify or waive as it is charged by the financial institution.

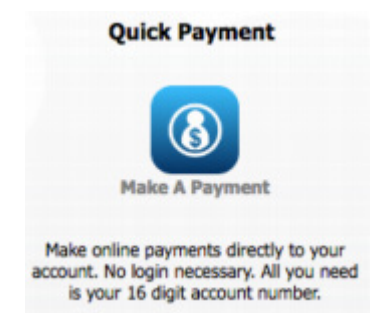
- **Set-up Recurring Payments**

Via (ACH) or Enrolling in ACH (Automated Clearing House), the owner is agreeing to have the funds withdrawn automatically from the account of their choosing.

A few key components to the online payment functionality:

- Owners who elect to make an online payment are re-routed to the banking institution's online payment site as soon as they click the “Continue to Payment Site”. Payments made on weekends or holidays are not processed until the next business day.
- Owners with multiple properties must make separate payments for each property.
- If e-check payments are returned due to insufficient funds, they are subject to an NSF fee.

In conclusion, an owner does not need to login to the Resident Portal or even have a Resident Portal account to make a payment. Owners can elect to **Make a Quick Payment** directly from the Resident Portal home screen:





Water Conservation Tips for the Summer

With the rising temperatures during summer, homeowners have increased water usage from watering landscaping and lawns. Having a plan in place can help with not only your water bill, but the water supply in your community.

Here are 4 simple tips for water conservation:

1. WATER EARLY

Water lost through evaporation can be significantly reduced by watering in the early morning and/or overnight as opposed to watering during the sunlight hours. During summer months, in all climates, delivering the water to individual plants underground via emitters from your irrigation system will effectively reduce evaporation. When attempting to keep turf on a slope adequately moist, consider utilizing “soak” programs or weeping irrigation hoses.

2. SOIL REMEDIATION

Soil remediation is a more in-depth way to save

water by breaking up compacted soils. This can be achieved by mechanical aeration, bio-stimulants/organic matter introduction, or a combination of the two. These soil techniques make it possible to increase the absorption of irrigation and rain water. Now is the time to core aerate your turf areas to help bring oxygen and water to the roots.

3. CHECK MOWER BLADE SETTINGS

Mower settings play a pivotal role in protecting grass roots. As the temperatures begin to climb, the height of your grass should increase. This longer grass will shade the root and prevent your lawns from browning. The result will be less water usage.

4. MULCH

Do not forget mulch! Cover the area under plants and shrubs with mulch to hold in as much moisture as possible. Be careful not apply more than a 2 inch layer; otherwise it can prevent water from soaking in. Any type of much is useful, including compost.

Board Member Spotlight | Jennifer Whelihan

By Lorraine Thomas, Community Association Manager

Jennifer Whelihan is the President of Hamilton Park Homeowners Association



Jennifer came onto the Board of Hamilton Park Homeowners Association in 2015 and was appointed as Secretary June of 2015; in April of 2016 Jennifer replaced the former Board President and has received unanimous support of her fellow board members to continue as President of the Board at the last annual meeting.

From day one Jennifer has taken an active role to bring value and improved aesthetics to the community. One of her most important points of focus has been to reduce street parking. The community had experienced a problem with emergency vehicle access to the community due to cars blocking the streets. Now that street parking policies are in place, the streets are clear, guests have designated parking spaces, the aesthetic appeal of the community is increased and, most importantly, emergency services have full access to homes within the community. In fact, Hillsborough County has awarded Hamilton Park Homeowners Association – The Best Beautification Project Award for 2016 – in large part due to Jennifer’s actions.

While enforcement of deed restrictions is important to Jennifer, she also recognizes the importance of creating a community. She has suggested several events to the Board and received approval to move forward:

- Yard of the Month Award** - Jennifer created a beautiful sign that will be presented to the homeowner who has taken care of and made efforts to create a beautiful front yard, an award to be given out monthly.
- Community Block Party** - Jennifer and the Board are working to hold a block party. They are bringing in county representatives, music, food trucks, and games - all to help build community from within.

3. Community Yard Sale – The Board is planning to hold a community yard sale this fall to bring positive attention to this wonderful community, while enabling all residents to get the benefit of the advertising for the entire community and centralizing the process to hopefully increase the success of yard sales in comparison to the sporadic yard sales held by individual residents.

4. Digital Newsletter - Jennifer also used her communication and marketing skills to create a digital community newsletter in order to keep the community aware of upcoming events, decisions by the Board, reminders of deed restrictions, etc.

Jennifer and the Board are continually striving to learn more so they are better equipped to do right by Hamilton Park and the homeowners therein. They have attended the two events held by RealManage Tampa Office - one for learning the RealManage systems and one for Board Certification. She is appreciative of the chance to learn the proper actions to take and the correct procedures to benefit Hamilton Park.

"The Board Certification class was beneficial and helped our board realize the importance of our work, as well as the opportunities that exist to assist us in continuing to improve our community to make it a safe and wonderful place to live. Thank you as always to RealManage and our community manager, Lorraine, for always providing stellar customer service and training for the betterment of our HOA. Your team and partners are exceptional!" - Jennifer Whelihan, Hamilton HOA President

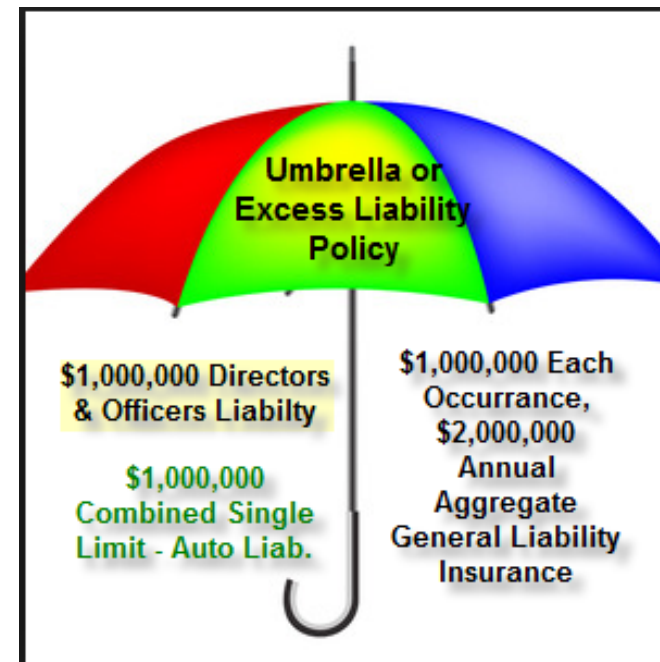
It’s a pleasure having a Board member so committed to doing the right things for her community! Thank you Jennifer!!

Does a Community Association Need an Umbrella Policy?

Written By: Katie Vaughan, Vice President CiraConnect Insurance Services

An umbrella or excess liability policy provides additional limits to supplement your primary liability policies. An umbrella policy covers a much higher limit. The main purpose of an umbrella policy is to protect your community's assets from an unforeseen event, such as a tragic accident in which you are held responsible for damages or bodily injuries. Coverage extends excess of the general liability and auto liability. Most insurance companies will also add excess Directors & Officers (D&O) Liability – but you may need to request it.

Below is a graphic of how coverage will work in the event of a catastrophic event. The claim would be reported to one or more of the primary policies – general liability, D&O or Auto Liability – who would be the first to respond. The umbrella insurance company would also be notified of the loss. If the full limits of the primary policy are paid, the umbrella should then come into play.



Unfortunately, despite everyone's best efforts, losses do happen.

Not too long ago, some trees and shrubs at a community entryway became overgrown to the point that they covered up a stop sign. Two vehicles collided in the intersection and

passengers in both cars were badly hurt. The community was held responsible for the accident and was liable for the significant medical bills.

Can you imagine not having an umbrella policy and receiving a judgment against your community for \$30.7 million? That happened to an Indiana homeowners association in March, 2011. Ten years earlier, some children were playing on the edge of the community's lake when the ice gave way. One child drowned, another child received traumatic brain injury, and the third child witnessed the drowning and injury of his two brothers. Typically, this type of accident is considered an act of God and a plaintiff cannot recover damages for the injuries. However, in this case, the jury found the Community 100% liable for the damages for two reasons. First, the ice was thin due to incorrect management of water-flow. Second, there were no warning signs or barriers near the water.

Even Directors & Officers claims can exceed that policy's limits. A couple in Hawaii sued claiming they were targets of threats, harassment and intimidation by an unlicensed contractor and the resident manager. According to the lawsuit, the community's board of directors either directed or condoned the campaign of abuse. The jury found the condominium association's board of directors, its employees and agents violated state condominium laws and awarded the couple \$3.87 million in general and punitive damages.

An umbrella policy provides a cost effective way to provide higher limits to protect the community for unforeseen liability losses. When an accident happens, this policy can provide peace of mind and help avoid the need for a special assessment.

If you do not already have this important coverage, the team at CiraConnect Insurance Services will be happy to provide a quote for you. Let us know what limit would you like. Options from \$1,000,000 to \$25,000,000 are generally available. You might be surprised how affordable excess liability coverage is!

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