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# COMMUNITY MOMENTS

A REALMANAGE PUBLICATION



**Kimberly Sutherland**  
*Director of Community Association Management*  
RealManage Illinois

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Editor: Amanda Causey | Design: Avereé Chaloupka

Contributors: Daneen Reinke, Sandra Vela Mora, Kara Cermak

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## PRESIDENT'S LETTER

**W**ith the ringing in of the New Year, it brought in some cold temperatures and snowfall across much of the country. Even our most southern states, such as Florida, got to experience a winter storm.

As we move into the second month of 2018, I have an exciting announcement to share. First, we are pleased to announce the release of the Community Calendar in the CiraNet/Resident Portal; which includes both community (meetings and events), and coming soon, amenity reservations. The Community Calendar on the Resident Portal fulfills a long-awaited request by most boards. It will increase your ability as a board member to communicate to owners to hopefully driving higher attendance at meetings and events. We hope you enjoy this new feature.

Next, we have released a new Achievements Module for internal staff. This module is designed to provide your Community Management team with online training tools and curriculum to help them demonstrate knowledge proficiency in respective subject matters. By providing our staff with the most advanced training, it ensures that they are giving you, as our client communities, the best support possible to be successful.

As always, we would love to hear from you. Please feel free to provide us with feedback on how we are performing.

Thank you again for the trust you have placed in the RealManage family. We look forward to serving you in 2018.



**Chris Ayoub**

*President, RealManage*

## EMPLOYEE SPOTLIGHT

# Kimberly Sutherland

DIRECTOR OF COMMUNITY ASSOCIATION MANAGEMENT

**K**imberly Sutherland joined the RealManage family in October of 2017 through an acquisition of Rowell, Inc. She embodied the leadership abilities that quickly earned her the title of Director of Community Association Management.

Motivation and determination can easily describe Kimberly's character. While attending Hoffman Estates High School, the only school in the Mid-Suburban League without a girls bowling team, Kimberly with the help of her father and Athletic Director went on to successfully form a program which placed the girls in the state competition in that first year. Kimberly went on to bowl, on a small scholarship, on the men's bowling team for Southern Illinois University.

Kimberly loves to educate and has earned her Bachelors of Science in Paralegal Studies, Masters in Business Administration, and is ready to embark on obtaining her Professional Community Association Management (PCAM®) designation this summer, the highest designation from Community Association Institute (CAI) within the community management field.

While serving on her own association board of directors, the opportunity presented itself for Kimberly to join Rowell as an on-site community manager. Since 2008, Kimberly has not looked back as she enjoys educating board members and assisting them in making decisions for the betterment of their communities. She enjoys watching communities transform through large-scale projects and takes pride in knowing she helped in guiding them through the process. Being well-prepared is within her nature as she makes sure her boards have relevant information in a timely manner so that they can make well-informed decisions.



Kara Cermak, President of Rowell, states. "Kimberly embodies the crucial parts of what we do for a living – if you are not planning ahead, you will only be working at putting out fires, and not preventing them. She meets every deadline she sets for herself, and since the acquisition of Rowell, Kimberly has volunteered to help wherever she is needed. If there is a person that exemplifies our commitment to our clients, it is Kimberly."

In 2014 Kimberly received the CAI – Illinois Rising Star Award and currently is the Co-Chair of the CAI Golf committee. As if her schedule is not already full, she also serves as a Commissioner on the Village of Maple Park Planning Commission as she likes to give back to her community which provides her the opportunity to continually be learning.

After a 20-year hiatus from competitive bowling, she and her husband, Ed enjoy spending time in a weekly league. Kimberly has a twelve-year-old son, Michael and an eleven-year-old daughter named Preslee, partly named after Elvis Presley, and her father is her ultimate hero and role model whom she credits for her passion and all her success both personally and professionally. In honor of Kimberly, we could all shout out "Go, Cubs, Go" in tribute to her favorite Chicago team.

Written by **Daneen Reinke, CMCA®**  
Senior Vice President, RealManage Illinois

## BOARD MEMBER SPOTLIGHT

# Steven Gates

BOARD PRESIDENT, TEAL RUN GENERAL MAINTENANCE ASSOCIATION  
FRESNO, TX

Steven Gates, president of the Teal Run General Maintenance Association, has served on the board of directors since 2015 (nominated to the role of president within a couple of months of joining the board) and has lived in the community since 2003 after living in Humble, TX and serving the in the U.S. Coast Guard in Florida. His dedication to the community has been unsurpassed and to say he serves the community around the clock would be accurate.



Steven decided to join the board because he was not happy with the progress being made with the previous board and believed he could make a difference. He has made it a mission to not only improve the appearance of the neighborhood but improve the financial health of the community as well. He has worked tireless hours on projects in the community and tireless hours working closely with RealManage and the HOAs' attorney to improve the delinquency rate and help devise policies and procedures to better the association. Steven met with vendors and service providers of the community and renegotiated contracts saving the community tens of thousands of dollars annually. He also met with local and state officials to get additional attention and funding for the improvement of maintenance and appearance of public property and road-ways around Teal Run.

On any given day, you can find Steven meeting with a vendor, picking up trash in the neighborhood, installing a cabinet, painting, moving pool furniture, installing a ceiling fan, power washing the deck or preparing for one of the many community events. This is just to name a few...very few... of the many things Steven volunteers his time to do on literally a daily basis. Steven spends hours in preparation for the board meeting and serves as facilitator. He listens, is fair, and works with the homeowners to resolve issues, while keeping the best interests of the HOA in mind. Steven also serves on the HOA ACC committee.

The Teal Run General Maintenance Association prides themselves on community involvement and community activities. The board spearheads these activities which would not be possible without the tireless hours the board members put in, especially Steven. One example is Community Clean Up Days, which is usually held quarterly. Volunteers sign up to spend a Saturday working on community items, such as painting, trash pick-up, planting etc. There is also a list of homeowners who have contacted the board when they need help resolving a violation (painting, fencing, power washing, etc). The volunteers visit these homeowners and take care of the violation items for them which eliminates the number of active violations and helps the aesthetics of the community at the same time. Most of the time, this help is "led" by the president and vice president who are truly making a difference by bringing the community together with the Community Clean Up events.

In addition to Community Clean Up, Steven has been instrumental in coordinating and working on New Year's Eve Celebrations, Easter Egg Hunts, 4th of July events, Pool parties, Movie Nights, Texan Tailgate Parties, National Night Out and Christmas Parties. He devotes hours upon hours daily to the HOA and it is not unusual to find him at the clubhouse painting walls after midnight prior to a rental or helping to install the thousands of Christmas lights throughout the neighborhood well into the night. The neighborhood events are well attended by the community and homeowners are proud to live in Teal Run GMA.

Steven's vision for the future of the HOA is to make the community an enjoyable and desirable place for all residents and to help foster and build relationships between neighbors so everyone feels safe at home and welcome. He also strives to maintain and improve the common areas and beautify the environment.

In addition to his dedication to the board and HOA, Steven also serves on the local MUD board and is very involved in neighboring HOAs and finding ways for Teal Run General Maintenance Association to work with its' neighbors. In his spare time (when he is not finding something to do for the HOA) Steven enjoys spending time with family and friends (including his dogs Puggles and Baby), carpentry, gardening, bicycling, traveling and volunteering.

Written by **Sandra Vela Mora**, CMCA®, AMS®, PCAM®  
Senior Vice President

# A Fool And His Money

We all know we need a reserve study – well, we mostly do, right? However, do we utilize these reserve studies in the way that was intended? Are we using these reserve studies to plan ahead, research and study possible scenarios?

## "A FOOL AND HIS MONEY ARE SOON PARTED"

- 1. IT IS EASY TO GET MONEY FROM FOOLISH PEOPLE
  - 2. IT IS DIFFICULT OR UNLIKELY THAT FOOLISH PEOPLE MAINTAIN THEIR HOLD ON ACQUIRED WEALTH
- Wiktionary

Nobody wants to be considered foolish, and often, boards err on the side of micro-managing to avoid looking foolish. So, let us delve into the possible scenarios for looking foolish in your reserve spending, avoid the possibility of micro-management and develop a reputation for a community that thinks and plans ahead, and leaves homeowners with a sense of security.

There is a process with reserve spending on large projects, and it involves due diligence on the front end and requires that there is a plan, in advance of large expenditures.

- 1. Go out to bid with a reserve professional, hire them at least six months in advance of the budget season, preferably, and have a final draft of the reserve study for your budget preparation.

What is so important in that study? Aside from the current and immediate future fiscal year's required spending, it is important to look at the coming five years. What are major expenses happening within the next five years? If it involves anything that has to do with a change in the look of the community (lighting, siding, roofing, painting, shutters, etc.), you have several things to decide.

- 2. Depending on the needs of the community, there could be one to two years of research involved with a major capital reserve expenditure. Where to even start? Start by asking questions. Even a survey of the board members, management company, reserve professional and perhaps, the auditor, is a good idea. Gather the answers that each of you thinks is the correct answer, and together you will develop the actual answer.

- Is the expenditure something that could update the look of your community?
  - Does the community look need to be updated to compete in the market?
  - Are there other products that may be considered?
  - Will the upgrade come with increased security within the community?
  - Are there surrounding communities that have caught the participant's eye, and if so, what about that community caught their eye?
3. After asking questions of your professionals and those that live within your community, it is time to consider the process – who is going to be helping, how much will it cost, and what options exist?
- Does the community have a committee that is prepared to help?
  - If there is no committee, is it time to spark interest in creating one?
4. Who do you need to hire?
- Need an architect or engineer? Time to go out to bid at least one to two years in advance of the project. Thoroughly vet your architect or engineer before hiring them.
  - Need a designer? Find one that you agree with that everyone likes and trusts.
5. How much money do you need to get where you want to be?
- Do you need a loan? Talk to local lenders and see what products they have.
  - Do you need a special assessment? If you are improving something it involves marketing the solution. Enlist professionals to do that.

Keep in mind that all of the above is being done before you have even started interviewing professionals that may end up doing this work. Remember that they may also have suggestions, so finding a trusted partner may bring about additional changes.

Treat your community association as something fluid that can change with the times. If this process is employed correctly, the result will be a well-thought-out, a complete plan that could incorporate changes that will increase property values, including potential safety concerns and incorporate a better way of life for your community members.

Final recommendation? Have fun! Honestly, this process should be exciting and fun, if considered early enough. Have town hall meetings to explain your plans. Write newsletter articles about your plans, well in advance. Informed membership means happy membership. Finally? Good luck!

Written by **Kara Cermak, CMCA®, AMS®, PCAM®**  
President, Rowell Management, Inc. (a division of RealManage Illinois)

## What Foreclosure Means To Your Association

Foreclosure is a bit of a dirty word. Nobody wants to see anyone thrown out of their home – but it happens. There are basically two different kinds of foreclosures that homeowners associations need to worry about: Foreclosure by the bank and foreclosure by the association itself.

**ONE KIND OF FORECLOSURE** is when you, the association, foreclose over unpaid liens. Be aware that this is one of the quickest ways to get yourself labeled as an "evil" HOA. The threat of foreclosure is often seen as a "shakedown racket" by owners and potential owners. Unfortunately, failing to foreclose can result in people not being able to get mortgages in your association if the delinquency rate is too high. Unchecked delinquencies also lead to budget shortfalls for the entire community.

Also, some associations prefer to try and foreclose before the bank does, especially if the bank is unlikely to pay the fees or has a reputation for abandoning foreclosed

**WHEN A BANK FORECLOSURES** on a home in the development there are three things the association is concerned with – getting the unpaid HOA dues, keeping the property maintained if it is standing vacant, and making sure that the rules are followed when the bank sells the home to another person.

In a normal sale, unpaid assessments can be subject to a lien on the home and thus paid by the new owner. In some states, if the new owner buys from foreclosure, however, they are guaranteed there will be no debt on the home. This may mean that months or even years of unpaid dues may be owed, even if the house is abandoned. The lender is not responsible for unpaid assessments, but may be responsible for those owed while it has title on the home. (In some states the law has been changed to make the high bidder in the foreclosure auction responsible for the unpaid dues).

Abandoned properties are also a major concern for associations. In townhome and condominium developments, an abandoned home can cause pest issues in the homes next to it. Vacant buildings attract crime and can be too tempting for children to play in, resulting in hazards. Because of this, associations should typically encourage lenders to foreclose. Lenders may well try to avoid foreclosing (and may even post the property for sale without taking title) precisely to avoid paying association dues. In some cases, the Consumer Financial Protection Bureau can help – an association can file a complaint against the bank in order to get them to foreclose – although this does not always work.

When the foreclosed home is sold it will go to the highest bidder, and you might not know who that is right away. There is no guarantee that the new owner has read the CC&R's – a lot of the time they will then turn around and resell it. The answer is, of course, to work with the lender to make sure that whoever buys the home is known to you and you can talk to them. Another answer for some associations may be to purchase the vacated unit yourselves so you can rent it out or re-sell it with some control – but this may not be financially valuable.

The answer, obviously, is a balance. Foreclosing should be the last resort when an owner owes back assessments – it is better to work with them. Set a proper collection policy and take other action such as barring the resident from amenities, such as the gym, first, if permitted by the covenants. And bear in mind that if you do have to foreclose, the property may sell below market – which oftentimes means it will go to an investor who is going to flip it. This can also cause the home to go to somebody who may not fully understand the restrictions in place in your community, or to somebody who ends up being rejected for residency – this can lead to a courtroom to resolve.

If you do need to foreclose, you have the option of renting the unit that came into your hands as well as selling it – consider which is the best thing to do under the circumstances and turn to your association counsel for valuable advice for each circumstance.. The best solution is if foreclosure can be avoided, however, this is not always in the cards.



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