

August 2018

COMMUNITY MOMENTS

A REALMANAGE PUBLICATION



Brittany Moya
Community Association Manager
RealManage San Antonio

The month of July has had numerous exciting events throughout our company. We had the privilege of hiring Gloria Todisco, PCAM®, Senior Vice President for our Southern California market and Diana Larson, PCAM®, as Vice President to oversee our DFW operations. They will be critical players in the rapid growth we have experienced in each of these markets.

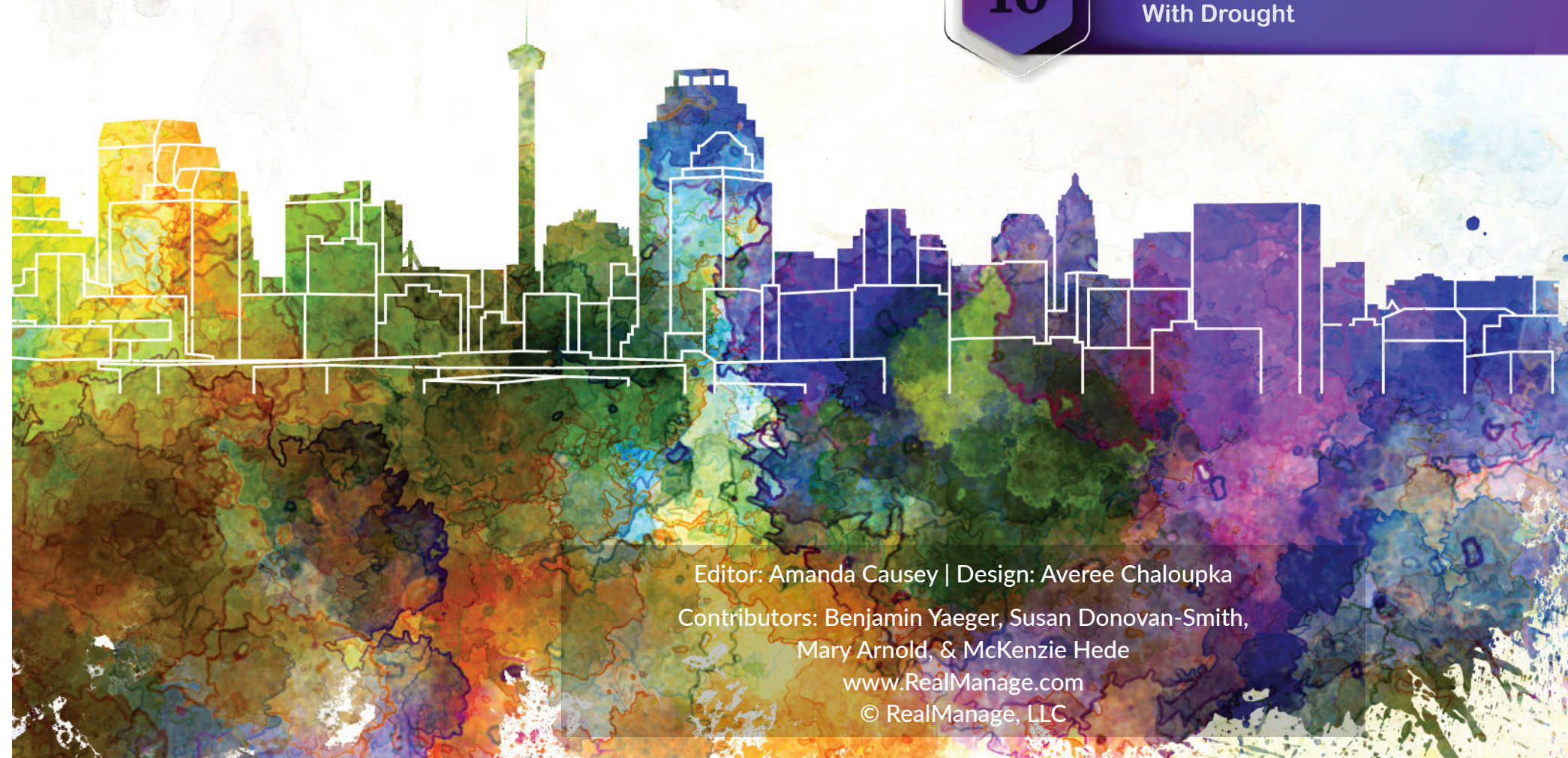
Over the course of July, RealManage also gained many new partnerships with communities across the country. Our on-site lifestyle division, GrandManors, also won a partnership with Steiner Ranch, a prestigious 3,689 community located in Austin, Texas. We are proud to have been chosen as the management company of choice for so many beautiful communities in 2018 and it is a testament to our ability to service associations well.

As always, it is my most profound gratitude that each of your communities has chosen RealManage as its managing partner. Should you have any comments or concerns regarding the service level you receive, I welcome each of you to reach out by sending an email to clientsatisfaction@ciramail.com. Your feedback is greatly appreciated.



Chris Ayoub
President, RealManage

- 4 Employee Spotlight:
[Brittany Moya](#)
- 6 Board Spotlight:
[Dave Zessin](#) | [Horizon West](#)
- 7 Keeping Communities Safe From Wildfires
- 8 Mary's Corner
[Budget Season](#)
- 10 7 Tips To Help HOAs Cope With Drought



Editor: Amanda Causey | Design: Avereé Chaloupka
Contributors: Benjamin Yaeger, Susan Donovan-Smith,
Mary Arnold, & McKenzie Hede
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EMPLOYEE SPOTLIGHT

Brittany Moya

COMMUNITY ASSOCIATION MANAGER - SAN ANTONIO

We are proud to highlight our fantastic teammate in San Antonio – Brittany Moya. Brittany has worked in the community association management industry since 2014 and has held roles in accounting, customer service, gate programming and community management. She joined our team as an assistant manager in 2016 and immediately dove into her customer service role. Brittany is a results-driven team player who doesn't lose sight of the big picture. Her proactive communication, friendly customer service, ability to connect on a personal level with residents, and ability to "close the loop" in problem resolution make her a fantastic asset to the RealManage family.

It was immediately clear that Brittany was a tenacious superstar who would quickly grow within our team. She demonstrated a desire to grow and began managing a small portfolio along with her assistant manager duties in early 2017. She actively participated in CAI education events, completed her M-100 course and earned her CMCA® certification that year as well. Currently, she is working toward her AMS® designation. Brittany was promoted to portfolio manager in December 2017, and her boards simply love her. One board member recently said, "Brittany has proven to be responsive to our needs and is a pleasure to work with. She responds to our residents quickly, which allows us to manage our community effectively."



In Brittany's free time, she loves to be outdoors. She is a fairly successful fisherman when she heads back home to Corpus Christi. She is also quite adventurous — snorkeling and skydiving being her newest hobbies! Brittany also loves to give back to the community as well and volunteers for her church to help raise funds for a new event center for the children.

When asked where she learned her work ethic and tenacity, Brittany credited her father – who as a single parent, raised her and built a successful career. She says of him, "My father taught me several things; never give up, work hard, stay focused and the impossible is possible. His hard work and dedication is why I am strong-willed and ready to battle anything that comes my way." Well, we are thankful for the valuable lessons she learned growing up, and proud to count her among our team at RealManage. Brittany, thank you for all you do!

Written by **Benjamin Yaeger**
Division President – RealManage Central Texas

Dave Zessin joined the Horizon West board of directors in March of 2016 as a member-at-large. In January of 2018, he was elected to the position of president by his fellow board members. Dave has been instrumental in helping run the 10-story, 120-unit Boulder, Colorado, Association of Horizon West.

Dave took the initiative as project manager on Horizon West's residential floor remodel, working directly with the designers and involving association members in the decision making of design choices. Taking the initiative seems to come naturally to Dave. Dave has served on multiple HOA boards. In an effort to expand his knowledge of the complexities associated with serving on the board, Dave has attended additional HOA board development training classes and presentations provided by RealManage and the City of Boulder. When drainage issues in the parking lot area plagued the community, Dave worked in tandem with the engineer to redesign the water runoff.

Dave is visionary, which comes in handy when you oversee a building that is nearly 40 years old. Dave recognizes the needs of the building and how those needs are affected by the building's age. His problem-solving skills and attention to detail have been an asset to his



BOARD SPOTLIGHT
Dave Zessin
HORIZON WEST - COLORADO



membership and his management team. Not only does Dave understand the intricacies of the heating/cooling system, he also looks at the big picture as president and created a project priority chart that the board and the RealManage on-site management team use weekly to keep project details updated and on task.

Dave consistently looks for ways to improve the functionality of the building and its grounds for the benefit of the Association members. Recently Dave worked to enhance the patio area behind the indoor pool to allow for a patio and grassed play area that opens up from a glass wall to create an indoor/outdoor space for members to enjoy.

When Dave is not working on Association business, he enjoys biking, skiing, spending time with his wife, Carla, and craft beer.

Written by:
Susan Donovan-Smith
Market Leader - RealManage Denver

McKenzie Hede
Community Association Manager - Horizon West

TIPS FOR KEEPING COMMUNITIES SAFE FROM WILDFIRES

Almost every summer, wildfires in the Western U.S. remind us of how unpredictable, powerful and dangerous nature can be. If your community association is located in a region that is vulnerable to natural fires, taking some simple measures can help you avoid experiencing one of the most dangerous seasonal issues: a wildfire. If your community has yet to implement rules that prevent wildfire damage, approving the measures below is a good place to start.

Keep Tree Limbs Away From The Ground

Tree limbs should be trimmed at least six feet away from the ground to prevent ground fires from spreading to trees. Known to firefighters as "ladder fuel", low tree limbs are a major cause of wildfires spreading to treetops after they get going on the ground.

Control The Storage Of Combustibles

Poorly stored combustibles can be like a powder keg waiting to explode. If a wildfire comes into contact with a large supply of firewood, lumber, or flammable liquids, its ability to conflagrate can increase exponentially.

Remove Fallen Debris From Trees

Dry bark, needles, and leaves from trees can serve as kindling that starts a wildfire. If a lit cigarette butt or an ember from an outdoor fire pit contacts the debris, a fire can start and spread in just seconds. Removing fallen debris from trees is typically done in the autumn, but it should be done in the summer too.

Follow Roofing Regulations

When a wildfire is spreading, the roof area is the most vulnerable part of home. When it comes time to install a new roof on a residence, a homeowner should follow the association's roofing regulations. Those regulations may address the need for fireproof roofing the community if the community is located in a wildfire zone. By requiring residents to use fireproof roofing as a part of a plan to address seasonal issues is a good way to protect the community from wildfires.



Mary's Corner - Budget Season

It is budget season at RealManage, and that means our managers and accounting team are hard at work preparing the preliminary budgets for our boards to review. The budget is one of the most important things the management team and the board does each year for their community association. A great deal of effort goes into researching historical trends, as well as accurately projecting for future anticipated expenses. The team at RealManage will contact vendors, utility companies, and the like to inquire about anticipated rate increases for the new fiscal year so that these can be factored into the new budget.

First, our accountants will initialize the budget in our system, taking into consideration feedback offered from managers via a preliminary budget input form. This accountant's draft is then sent to the board, and is the official kick-off of the budget process for that community. Most of our boards should have received their draft by now, or will be receiving them very shortly. Once you do, it is time for the manager and the board to begin discussions that will result in the edits that will be needed to get the budget in a format the board is comfortable adopting.

When preparing your budget, be sure to factor in any planned projects that may be covered by the replacement fund. If you have a reserve study, be sure to budget for any projects the study recommends for the year. Historically, when the board chooses to defer capital expenditure projects past the expiration of the asset's remaining useful life, it causes the project to cost more in the long run when the board chooses to approve it years down the road. The deterioration expenses during those additional years will often require a more expansive project at a greater cost. Do you have a reserve study? This would be a great time to consider approving one and factor the cost into your budget.

Another part of good budgeting is ensuring that there is enough available cash throughout the year for the community to meet its expected expenses, along with a little "cushion" in the event the community either goes over budget, or experiences a high delinquency rate. Another factor is that your assessment revenue arrives in fixed periods (monthly, quarterly, etc.), but expenses can spike at different times based on seasonal expenses. Water may be higher in the summer, lower in the winter, but the revenue still only arrives at a fixed time and amount. Therefore, it is our recommendation that a community have at least two months of their annual budgeted expenses left over at the end of the year being budgeted to meet the goal of having sufficient cash flow at all times.

We understand the board has a difficult job to do. The board has an obligation to provide for proper maintenance and upkeep of the community in order to preserve curb appeal and protect the investments the homeowners have made in their homes. Sometimes once the projected expenses are analyzed, it becomes apparent the association cannot continue to provide the proper level of service without increasing assessments. This can be a difficult and unpopular decision. Just keep in mind the greater goal - preserving the community. In the long run, you might not be doing your homeowners any favors by keeping assessments artificially low, and as a result being unable to perform repair and maintenance when it is needed to keep the community looking its best.

When you are facing an assessment increase, we find that proper communication is key. A detailed letter should be sent to your residents explaining the reason(s) for the increase, and how they are going to benefit from it. For example, perhaps the residents have been requested the pool open earlier in the year and close later in the year; that will likely impact the pool maintenance costs, but will be giving the people what they want. Or in snow regions, your homeowners were unhappy with the snow removal contract that only provided for snow removal when snow accumulation exceeded 2", so you change it to 1" based on owner feedback. That will increase your costs, but you can explain the increased service they are receiving for the increased dollars. Sometimes you will not be increasing service, but an assessment increase is still necessary due to inflation. Either way, most people will appreciate it when something is explained to them and are more likely to be accepting of it. RealManage can help you put together such a letter. Also try to get that notice out as soon as possible; the more notice your residents have of a pending assessment increase, the better they can help budget for it. Be sure to give proper notice of the meeting at which you plan to adopt the budget to give homeowners an opportunity to ask any questions in person.

Finally, at the end of the day, do keep in mind that the budget, as extensive and well thought out as it is, remains a guide. Should you budget for a project and later decide to defer it, you are not breaking any rule or commitment, as long as the deferral doesn't negatively impact your community. And vice versa. Perhaps you didn't budget for a repair that could not have been anticipated, but must be done. Do the repair and find somewhere else to cut back for the remainder of the year. In other words, just because something is budgeted doesn't mean you must meet each projection 100%. You may find you go over in some expenses, under in others, as some expenses do fluctuate and can be tricky to project with 100% accuracy. Prepare your budget as close as possible to anticipated expenses, but take comfort in knowing that variances in your budget is not a negative reflection on the work you are doing in your volunteer positions as board members.

We hope you find this information helpful as you begin to prepare your 2019 budgets. Please keep in mind we strive to have all budgets completed and signed by October 19th. This is for several reasons, such as assuring we can get coupon books and/or statements in the hands of your residents in ample time. Another important reason to consider is so we have an approved budget to provide when closing documents are requesting for pending home sales. If the association does not have an approved budget to provide when requested, it can impede the ability of a homeowner to sell their home, or possibly even cause a deal to fall through,

as someone may be reluctant to buy in the community not knowing if they will be surprised by a significant assessment increase in the new year. Be sure to comply with any deadlines established in your governing documents and keep these other important timeline factors in mind.



7 Tips To Help HOAs Cope With Drought

When a drought hits, conserving water often becomes a community effort. HOAs must do their part to both keep up with resident's demands for quality lawn care and landscaping while being responsible citizens.

It is a tricky balancing act for a community association to fulfill both responsibilities. However, the following seven tips are some ideas on how to balance both your commitment to your residents and the environment when a drought hits.

Install Water-Efficient Technology

From sprinklers to watering systems, investing in water-efficient technology now can help your community out next time that it is facing a drought situation. This is especially something to consider for communities in the Southwest or California where consistent droughts are all but the norm.

Consider Plants That Need Less Water

Especially if your community is in a location where droughts are common such as New Mexico, Arizona, southern Nevada (i.e. Las Vegas), California, etc., consider getting some plants that require minimal watering. These plants provide greenery without requiring the water that many other

This allows you to water your community gardens, lawns, and other plant life as often as the local law allows while still conserving water and not using more than is necessary to keep the local plant life alive.

plants require. Some options for plants that require little water to sustain life include agave, bougainvillea, portulaca, lithops, blanket flowers, verbena, and cacti to name a few. Planting these kinds of flowers will allow there to be color and vegetation in your area without plants requiring as much watering as many others would require.

Consider Your Landscaping Materials

Some landscaping materials such as mulch or dirt will soak up more water while others like pebbles or rocks will allow more water to drip through the surface of and get to the roots of the plants that need the water most. Moreover, keeping rocks moist is not necessary, which makes these more "drought friendly" landscaping options than those that soak up much water like sand, dirt, or mulch.

Considering this can help your association provide the local landscape options that allow the plant to get more water than the surrounding soil while also still offering a pleasing option to the eye as many stones and rock landscapes also look elegant at the same time as allowing the plant to have all the water deposited into the area.

Obey Local Water Use Laws

For those droughts that get more serious, you may only be allowed to water lawns, flowers, gardens, etc., for a certain amount of time per week/month/etc. For example if you are experiencing a severe drought in Phoenix, Arizona, you may be allowed two twenty-minute watering sessions for lawns, gardens, and landscaping each week. When that drought gets more severe, that may be cut to two fifteen-minute

watering sessions per week. Car washing may also be banned if water shortages get severe enough. Inform residents of these rules and ensure that everyone is aware and follows them accordingly; otherwise, that can come back as a huge fine (\$10,000+) on either the family/resident or HOA that breaks the rules and uses too much water during a time when there is a shortage.

Consider Replacing Grass With Turf

For longer-term droughts like the ones being experienced in California, HOAs that replace grass with turfs that need less water can be doing the environment a massive favor. Turf provides residents the "green" color and looks that they want

without requiring much extra water to do it. This is being kind to the environment while still providing the community with a solution to their grass needs that are aesthetically pleasing as well.

Understand The Commonality Of Water Shortages

40 of every 50 HOA managers could experience a water shortage within their managed communities in the next ten years. This means that at some point, virtually 80% of communities will experience a water shortage

of some kind! Some will be more severe than others. Contingency plans are vital to water shortages, as it is apparent now as to how many communities will have to face these shortages in the future.

Communicate New Regulations To Residents

Moreover, community associations can communicate the latest water restrictions to residents as to if they are allowed to wash their cars, how many loads of laundry they should be washing (i.e., the size of each load), how often they can water their lawns, how much water they should be providing vegetation,

etc. as well as any new regulations that come into play that affect your local area where your HOA is located. Communicating these laws and regulations to residents can help residents keep from using water in ways that may get them or your HOA fined.

These are some of the best ways for associations to prepare for water shortages and to be responsible citizens of the community while balancing their resident's desires for nice, green, lush landscaping with their ability to save water and contribute to conservation efforts. Moreover, avoiding fines will help your community further save water and money in times of the direst needs for water.



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