

Community MOMENTS



Araseli Kelly

Business Development Manager

RealManage Illinois

June 2019



Message From The President

Summer is upon us and I hope you and your loved ones are getting the opportunity to get out and enjoy some time with one another! We at RealManage are sincerely enjoying the chance to serve your community and are committed to making this the best summer yet.

We feel that the best place to start in posturing our team for service is to start with a solid foundation, which is built upon our core values of integrity, respect, selflessness, personal relationships and always improving. Each one of our RealManage ambassadors embodies these core values and brings our vision, being the best company in the world at managing jointly owned property, to a reality.

I commend what each of you do as volunteers to serve your community and we are humbled and honored that you have chosen us to join your team. On behalf of RealManage, have a wonderful time with your loved ones and community members this summer, and I look forward to a long and prosperous relationship with all of you.

Chris Ayoub
President, RealManage

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EMPLOYEE SPOTLIGHT

Araseli Kelly

BUSINESS DEVELOPMENT MANAGER

REALMANAGE ILLINOIS



Araseli Kelly began her management career as an Assistant Community Manager for Caruso Management in July of 2014. Before joining Caruso Management Group, she earned her business degree from Moraine Valley College and went on to work for fortune 500 companies such as Starbucks, Jamba Juice, Caribou Coffee. She was also a Regional Manager for LifeTime Fitness in their Life Cafe Division which her role was to oversee all operational, financial, training and certification of team members; and all those the skill sets that we look for within the property management industry.

RealManage had entered the picture by acquiring Caruso Management in late 2015, and it had been apparent that Araseli would eagerly embrace this change and took this opportunity to create a career path within our organization. Araseli had earned her CMCA® designation along with her Professional Managing License for Illinois in 2016 which changed her position to Community Manager. Araseli quickly earned the trust of her board members by proactively communicating and swiftly addressing any challenges her communities were facing. There is never a hesitation to pick up the phone and have personal conversations which could be considered a lost art in this day of age.

Marcia Caruso, former president of Caruso Management, states “Since the day I hired Araseli, I knew she was going to be one of the biggest assets to the company. I trained Araseli, and I am very proud to say she has excelled in anything that has ever been given to her. Araseli is kind, loyal, exact in her work and above all an honest, caring individual.”

Araseli’s passion for community management and bringing added value to our clients has been evident which, led into her current position of our Business Development Manager for Illinois. Since taking on this role, she has assisted in hosting association wide events, quarterly education seminars for board members and has met with many of clients in search of new management needs. Araseli understands the importance of being a team and took the lead in coordinating volunteer events for Feed My Starving Children and Bike Bald Group so we can carve out some of our time together towards others. Our RealManage family has built strong relationships, both internally and externally from her contributions.

Araseli is one of eight children which has helped in her vision of “it takes a village,” which is the same foundation in managing community associations. With such a large family comes, twenty-six nieces and nephews and ten great nieces and great nephews, which makes for fun large family gatherings. Araseli enjoys spending time with her family and hosts a monthly game night and also enjoys attending games for her favorite baseball team, the Chicago Cubs when her busy schedule permits.

Written by [Daneen Reinke](#)
Division President: RealManage Illinois

Vanessa Bonner

Trails at Coal Creek

Lafayette, CO

Vanessa Bonner is the newest member of the Trails at Coal Creek board of directors, having been elected in April 2019 as part of the termination of declarant control in the community, but this isn't Vanessa's first experience with HOA boards, as she served on her previous board for 14 years before moving to the Trails at Coal Creek community.

Vanessa and her husband moved to Colorado from North Texas in 1999, choosing to make Boulder County their home. They are raising two daughters who will start middle and high school, respectively in the Fall.

Bonner works for the City of Boulder in their Public Works Department. Outside of career, Vanessa has been a lifelong volunteer, having served on the board for a non-profit group BouldeReach, her already mentioned service to her previous homeowner association and has also been a Girl Scout leader for seven years, leading two different troops of girls from grades six to nine and plans on taking 14 of them backpacking this summer.



When Vanessa moved to the Trails at Coal Creek 18 months ago, it was important to her to intentionally build community in her new neighborhood. Thanks to social media, she was able to find some like-minded individuals in the community who use the platform to make connections with future and current neighbors, helping kids relocating to a new school have names and faces they recognize before even getting to Colorado.

Vanessa has been instrumental in starting the Neighborhood Watch Program in her community with the help of the City of Lafayette. She also planned the National Night Out event which featured a gathering at the park, games, a food truck and an ambulance the kids could tour. She has also coordinated with the Red Cross the Trails at Coal Creek preparedness project to help educate those about what to do in a disaster and the steps that can be taken ahead of time to be best prepared.

Her enthusiasm is contagious, and we at RealManage are thrilled to be able to work with such a driven, giving, individual.

Written by [Steve Walz, CMCA®](#)
Market Director – Colorado

HURRICANE AND MONSOON SEASON IS HERE IS YOUR COMMUNITY PREPARED FOR A DISASTER

Hurricane and monsoon season officially starts in early June, which means now is the perfect time to make sure that your community is properly prepared.

It's easy to become complacent, especially if you have not had a problem in a couple of seasons. In fact, there are some things you should be doing every year to make sure your community is as prepared as possible for a major storm. In addition to having a solid disaster plan in place, consider the following:

Double-check your insurance

Make sure your coverage is up to date and reflects the current value of your building, and that you have the right kind of coverage. Make sure that somebody has a copy of the policies off-site and that if the area is evacuated they take those documents with them. A building manager is generally an ideal person, but you could also talk to a board member.

Distribute a disaster prep guide

There are disaster prep and evacuation kit checklists. Make sure owners are encouraged to take photos of their unit, keep their social security card, passport, and insurance policies in their evacuation kit, and stock up on water, food, propane, and flashlight batteries before a disaster. Using candles for lighting during a power outage should be avoided. If your community consists of houses, then encourage acquiring a generator and a solar or hand-crank phone charger.

Take photos of common areas

Take a lot of pictures of the common areas, and date stamp them. Store them off-site in a safe space. This will help you in the event of an insurance claim.

Schedule a roof inspection

Schedule a roof inspection to fix any minor damage that might be aggravated during a storm. Also, check the health of any trees. Dead trees should be removed before hurricane or monsoon season starts.

Find residents willing to volunteer

Look for owners who are willing to help less able-bodied individuals. Maybe to find room in their vehicles for an older resident who is unable to drive in the event of a disaster.

Battery operated walkie-talkies

Stock up on battery operated walkie-talkies for communicating with employees and vendors. Make sure you have enough batteries and test them frequently.

Stock up on clean-up supplies

Include supplies for fixing flat tires, tarps, duct tape, sturdy shoes and gloves, water, fuel, ice and cash.

Your disaster preparation plan should be proactive and should take into account the kind of disasters that might hit your community and also such things as first responder response time. The plan should include the following:

- When an evacuation is announced, you should make sure that pool pumps are turned off and elevators held on higher floors. Make sure your elevator's coding allows for this if there is a risk of flooding. Turn off electricity and water to the building. Make sure that you use hurricane shutters and the like on common buildings such as clubhouses.
- When an evacuation should be called and notifying owners
- Make sure somebody is available to post to the website and possibly to call residents. Also have a pre-prepared voice mail message for incoming calls.
- Make sure to include how to assist elderly/disabled residents or those with the young children in the event of an evacuation.
- List out who is responsible in the event of a disaster
- Map out evacuation routes for both the buildings and the area. Hurricanes can affect a wide area and owners may have to evacuate some distance.
- The locations of shelters for both people and pets.
- Contact information for first responders and aid organizations.
- Contact information for your insurance company.
- Figure out where debris can be left. Get a contract for dumpsters.
- Get a remote office set up so you can re-establish office routine.
- Have a priority repair and reinstatement list

This plan should be distributed to new residents, with a reminder sent annually, ideally in the spring. Having a good disaster plan is vital when going into hurricane or monsoon season. You should always be ready for a disaster, but this is the time when you should go over your disaster preparation and make sure you are ready for the next storm.

FINANCIAL MANAGEMENT OF COMMUNITY ASSOCIATIONS

BUDGETS AND REPLACEMENT RESERVES

Written by *Mary Arnold, CMCA®, AMS®*

Vice President of Operations of Community Manager Success Group

A budget usually applies to a 12-month period (**Jan 1 - Dec 31, Jul 1 - June 30, etc.**). Your community's budget should be approved a minimum of 45 days in advance of the start of the fiscal or budget year. This will enable distribution of the approved budget to owners before it goes into effect, and allow for printing of billing documents (coupons or statements).

Before beginning work on the budget, pull together all related documents and reports (i.e., this year's budget, a comparison of actual expenses to budget expenses, other financial reports or statements, and bills paid over the past year). To meet approval and distribution deadlines, you should begin work on the next year's budget several months in advance.

There are two basic methods of budget preparation:

- **Zero Based Budgeting** — With this method, all line items are set to zero and the amount of funds allotted to each must be justified.
- **Historical Trend Budgeting** — This method begins with the assumption that existing line items are needed. The amount of funds allocated to each during the current year is adjusted for expected changes in the coming year. Sources of historical information include financial reports, existing contracts, and bills from the past year.

A highly effective approach to developing the operating budget activities section of a budget (devoted to operating activities incurred during the normal course of operations, not planned expenses from the reserves) is to combine elements of both zero-base budgeting and historical trend budgeting. The zero-based approach keeps you from accepting this year's figures at face value. It requires you to analyze the reasons for the actual amounts spent. The actual dollar figure may be less or more than the budgeted figure because of circumstances you cannot assume will exist during the coming year.

For example, lawn maintenance costs during a dry season will be lower, but a community cannot assume that the coming year will be just as dry. Or water expenses may have been higher due to an unidentified leak which, once corrected, will not repeat in the coming year. The historical trend approach provides you with a starting point of existing data when you develop your estimates for the coming year.

DEVELOPMENT OF BUDGET LINE ITEMS — Each line item in a budget represents a different account or category of revenue or expense. There are two types of expenditures in a community budget - mandatory line items and discretionary ones:

Mandatory line items - Community and owner needs and obligations such as:

- Taxes
- Repairs
- Utilities
- Maintenance

Discretionary line items - Owner, board and committee desires or expectations such as:

- Social and recreational expenses
- Picnic areas
- Patrols
- Pool towels

There are standard ways to describe common line items for community associations. A **Chart of Accounts** is an organized list of the titles, descriptions and assigned numbers of all accounts in an organization's general ledger. The assigned number helps you locate the account, while the title describes the purpose of the account. Keep in mind to:

- Select line items that reflect your community's activities
- Select line items that will give your board information to plan and control your community's operations
- Keep line items as simple as possible

Even though there are customary ways of listing common line items in a budget, your community association can decide how detailed a set of line items it wants to use. It is important that the same account numbers and names be used in the budget, the general ledger, and all financial reports.

When preparing your draft budget, list your line items in as much detail as possible to help you assign costs. *For example*, utility line items may include water irrigation, electricity, streetlights, natural gas, garbage, telephone, and cable TV. To prepare line items for specific types of goods and services, you may need to solicit bids and proposals, such as insurance, lawn maintenance, snow removal, and pool management. However, when you prepare published copies of the adopted budget and any monthly or annual financial reports, it is appropriate to combine detailed line items under a more general one. *For example*, you might combine "**Landscape - Grounds Maintenance**", "**Landscape - Seasonal Planting**", and "**Landscape - Mulch**" into one line item titled "**Landscape Maintenance**".

BUDGETING BY MONTH — One of the best financial management tools for both the manager and the board members is the Statement of Revenue and Expenses, that, among other data, compares actual expenditures and revenue sources to budgeted amounts in each category. Logically the report would be more informative if the budgeted amounts are shown in the months the revenue or expense is expected to occur, rather than simply dividing the total expense by 12 months and showing 1/12 each month in the Statement of Revenue and Expense.

For example, snow removal would show in winter months, pool lifeguard in summer months, etc. When you compare actual figures with budgeted figures, you can:

- Identify all significant differences or variances between actual and planned figures
- Determine the reasons for the differences
- Executive any corrective action that may be needed as soon as possible
- On accrual basis reports, the budgeted assessment income should equal the actual assessment income

ESTABLISHING ANNUAL ASSESSMENTS — Annual assessments are based on the community's budget for the fiscal year. The amount of the total annual assessment is the amount of income that the board decides to obtain from owner assessments — given the community association's other revenue sources. Each owner is assigned a share of the community's annual obligation. Frequently an owner's share is based on the number of owners in the community or on the square footage the owner's unit occupies.

In condominiums, an owner's share is most often based on his or her percentage interest in the common elements. Here is the standard formula for calculating assessment fees for condominium owners:

$$\frac{([\text{Total assessments required in annual budget}] \times [\% \text{ interest as found in DCCRs}])}{[\text{Number of installment payments in a year}]}$$

For example:

Assume a total required assessment of \$410,000, assume a percentage interest in the common elements of 4.682% for a two bedroom unit, and assume monthly payments:

$$(\$410,000 \times 0.004682) / 12 = \$160 \text{ monthly assessment fee}$$



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