

Common Interest

The Official Publication of CAI-Connecticut

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Inside:

**JUST FOLLOWING
ORDERS:**
Understanding the
Governor's Coronavirus
Executive Orders

TAX PITFALLS

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in the Era of
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The Connecticut Chapter is one of 63 Community Associations Institute chapters worldwide. CAI-CT serves the educational, business, and networking needs of community associations throughout Connecticut. Our members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to associations. The Connecticut Chapter has over 1,200 members including nearly 150 businesses, and over 450 community associations representing 50,000 homeowners.



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To submit an article for publication in *Common Interest* contact Kim McClain at (860) 633-5692 or e-mail: kim@caict.org.

President's Message



Reggie Babcock

"CAI-CT has adapted to the circumstances we face with impressive agility and creativity."

To the CAI-CT Community — I hope you, your families and friends are doing well in all respects.

I certainly don't have a crystal ball that tells us where the future lies. In fact, one of the most cogent opinion pieces I've read recently affirms this view: we simply don't know how our lives will change in the short run or long run as a result of the pandemic. This, notwithstanding the non-stop flood of opinions online, in mainstream media and across the kitchen table.

So rather than offer predictions about the future, particularly as to how our industry might change, I'll offer some observations for your consideration. First, from this vantage point, we have moved to electronic meetings, both audio and video styles, pretty seamlessly. While once only a pie-in-the-sky concept, such meetings have been readily embraced. Of course the question remains, will they endure? Second, our industry has remained financially strong. Thus far, Associations' delinquency rates have not appreciably deteriorated and Board expenditures have not significantly fallen. Banks in fact report a healthy upturn in capital project borrowing.

Third, CAI-CT has adapted to the circumstances we face with impressive agility and creativity. We are filling needs with Webinars and other channels of communication we never would have envisioned. This success is attributable to our loyal corps of volunteers and again, Kim and Ellen. The vital role we are filling is surely valued by our many members, and we hope by many more members to come.

Last comment. CAI-CT itself is challenged by the current economic and safety realities. The onset of the pandemic forced the postponement, then cancellation, of the Conference & Expo, our largest income generator of the year. Other events that help enable us to carry out our mission also have been minimized or shelved, with a corresponding financial impact. But our reserves are healthy. Our business partners are functioning quite nicely, and I trust stand ready to step into supporting our programs and events as we define the path forward.

We all want to be together again. We are a close, cohesive community, but Zoom meetings won't fully replace our in-person gatherings. We miss you! Please, say healthy. ■



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From the Chapter Executive Director

"One reason people resist change is because they focus on what they have to give up, instead of what they have to gain."

~ Rick Godwin



Kim McClain

Courtesy CAI-CT

Since the start of being in our upside down world, we have all experienced change: new ways of working and holding meetings (Can anyone say "zoom fatigue?"), connecting with friends and family, seeking entertainment, learning, shopping and on and on. Many of us have found coping mechanisms and/or adapted and embraced entirely new ways of doing things. I also suspect that some of our readers are using their creative talents in many new ways. Clearly, the cover of this issue is inspiration for another way of serving strawberries. Is there something cool or clever that you have created during COVID-19 confinement? Send us a picture!

I am definitely one of those 'make lemonade out of lemons types.' As annoying of a personality trait that can be sometimes, this is surely a time to be squeezing the heck out of those citrus delights. It is in that spirit that you will read in this issue, some of our members got going early on to find a positive purpose. We are so impressed by all of the sewing done by one of our member communities. (See page 7.) Has your community done a great community service project; held a social distancing dance party outside (Check out a video on our website with folks dancing in the streets!); had a contest for kids with the best chalk drawings, etc.? If you or your community is doing something Fun or Fantastic – we want to know!

We continue to offer high quality, timely webinars. Please keep in mind that although we will not be holding our August 13th Summer Sizzler event in person this year, we are happy to announce that we have a mascot for this event – the Sizzlersaurus! Please be sure to register so you don't miss out!

Be safe, be well and stay cool! ■

Question: What is a Sizzlersaurus?

(Answer: The Summer Sizzler mascot!) While we cannot be together for an in-person Summer Sizzler, we hope you will join us for a great education program AND some fun. Join us to play some entertaining games after the program. We will have prizes! Some of our lucky winners will have their prize delivered by our Sizzlersaurus! Will you be one? Sign up today!



S-S-S/Stock/Getty Images Plus

MOVING TO A THURSDAY...



Register at www.caict.org.

UPCOMING CAI-CT EVENTS

SUMMER SIZZLER

Maintenance Standards and Mechanicals: Things that Go Bump in the Night (and Day)!

Thursday, August 13, 2020, Education 3-5/Party 5-7

Amarante's Sea Cliff, 62 Cove Street, East Haven

We all know that if you avoid taking care of that leaky water heater or loose shingle, a bigger problem will likely follow. Lack of proper maintenance in a community association makes those little problems expand exponentially. Our speakers will discuss the hows and whys of having good maintenance standards and protocols for managing mechanicals as part of an association's risk management strategy. Be sure to attend and learn how you can save your association time and headaches! Networking Party 5:00 – 7:00 pm

Pricing: \$25 (CAI Members who sign into their account prior to registering will receive a \$10 discount)

(Approval pending for 2 continuing ed credit)



COVID-19 and a Community Association's Insurance

September 15, 2020, 12:30 pm - 2:30 pm

This webinar will help provide you and your clients with some direction with regard to the potential implications of COVID-19 in your community and how insurance may or may not respond. Our panel will share their perspective on what communities are experiencing from their residents as the state begins to open up and where insurance carriers and coverage parts fall in determining if coverage exists.

Pricing: \$25 (CAI Members who sign into their account prior to registering will receive a \$10 discount)

(Approval pending for 2 continuing ed credit)

CAI-CT Golf Tournament

Thursday, September 24, 2020, Shot Gun start at 9:00 am

Lyman Orchards Golf Club - Jones Course

70 Lyman Road, Middlefield

Enjoy a day on the links with CAI-CT!

The 21st Annual Golf outing will be held on Thursday, September 24, 2020 at the Lyman Orchards Golf Club. This event brings the membership together and provides a networking opportunity for managers and business partners. This is a must-attend experience with exciting sponsorships, awards, gifts and games! Increase your fun! Please be sure to bring cash/checkbook to purchase mulligans, putting contest and raffle prizes!

TOURNAMENT FEE INCLUDES: Greens fees for 18 holes (scramble format), skill and tournament prizes, golf cart, breakfast & lunch banquet! \$200 per person or \$750 per foursome.

Visit www.caict.org for more information.

SAVE THE DATE

Fall Fun with a Twist

September 30, 2020

Hops on the Hill

275 Dug Road, South Glastonbury



Statutory Snippet...

Minutes and Decisions.

If it is not in the minutes it did not happen. The minutes are the record of the actions taken at a meeting, what the board knew, when they knew it and what actions the board took in response. The minutes should include actions, not opinions. The minutes should include, but not be limited to the following: time and place of meeting; proof of notice; who attended (quorum); general nature of reports given; motions proposed and actions on motions; how each director votes (required under CIOA – CGS 47-250); text of resolutions passed; any conflicts; and when the meeting ended. Do not include privileged information from attorneys or names of delinquent unit owners. ■

This is an excerpt from a Condo Inc. presentation given by Michael Feldman, Esq. & Kasey Burchman, Esq. of Feldman, Perlstein & Green, LLC. Reprinted with permission.

Legislative Update

Although the General Assembly is likely to be called into a Special Session, there is no certainty as to when that will happen. Given that they will be focused on a limited number of key issues, e.g. the budget, with very few exceptions, it is unlikely that other items will be added.

On the Federal level, National CAI has been meeting with Congressional staff to support a proposal for legislation regarding limited liability for non-profits – and to also include community associations -with respect to COVID. If there is any traction on this proposal, we will reach out to encourage you to contact your representatives to advocate for their support. ■



Have your community association board members changed since last year?

Be sure to update

your board's member names, titles (President, Vice President, Treasurer, Secretary, and Board Member), and contact information to ensure your board members receive all the latest CAI member benefits!

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Chapel Hill Condominium Association
Elm Garden Condominium Association Inc.
Kendall Green Condominium Association
Lambert Common Association, Inc.
Long Hill Condominium Association

Individual Managers

Michael Donadeo
Shane Ramkissoon

Business Partners

ServPro of Norwalk

Thank You Renewing Members

Associations

Chateau Wood Condominium Association
Countryside Manor Condominium Association, Inc.
Dartmoor West Townhouses Association, Inc.
Fennwyck Estates
Franklin Square Condominium Association
Gloria Commons Homeowners Association, Inc.
Governor's Bridge Homeowners Association
Long Hill Farm Association
Oaks Condominium Association, Inc.
Old Mill Townhomes
Palmer Landing Community Association
Parkview South Condominium Association
Regency Towers
South Mill Village Association
The Crossings Homeowners Association
The Fairways at Torrington Condominium Association, Inc.
Village Victoria Condominium Association
Westside Woods Condominium
Wolfpit 27 Condominium Association

Management Companies

Barkan Management Company, Inc.
CM Property Management
Empire Property Management Corporation
Premier Property Management
SOMAK Property Management
White & Katzman Management, Inc.

Individual Managers

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Jean Dobbin
Jesse Englehart, CMCA, AMS
John Hufcut
Sandra A Pimentel, CMCA
Andrew Price, CMCA, AMS
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Visit www.caionline.org

Website Insights – CAI-CT Member Pricing

Did you know CAI-CT Members get discounted pricing on most CAI-Connecticut Chapter events?



Be sure to log into your profile before you register for an event so we recognize you. If you don't know your log in, please contact ellen@caict.org to have your password reset.

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Homeowner's Column...

Oxford Greens Residents Get Sewing



Oxford Greens is such an amazing place to reside for a variety of reasons. The most recent HUGE act of brotherly love and care during this crisis time in our lives has been the fabric masks that have been made here. There is a group of approximately 13 – 14 dedicated ladies, many who are part of our Giving Dolls Club here, sewing, sewing, and sewing late into the night. As of this writing, over 1,000 masks have been made and donated by these dedicated volunteers.

The woman who began sewing the masks in the community responded to a request on Facebook. She saw a need and addressed it immediately. It was also touching to see how the community sourced materials for the sewing team. When ¼ inch elastic was in high demand (almost like the toilet paper episode), a request was sent out. Before one could blink an eye, little bundles of elastic appeared on the sewing group's porches! Someone in the community had had the foresight to order a large roll of it. When the elastic ran out, the group got creative using ¼ in ribbon and elastic ponytail holders. Someone else took the time to take bias tape and turn it into ties. Many people also donated fabric, flannel, etc. and cut the pieces for the sewers. Many of our Oxford Greens residents offered monetary donations for the masks, but because of all the items were donated, there was no cost to those involved.

Each time a new request came in for masks, maybe in the amount of 60-100, within a couple days pledges were made by the sewing group and in a few more days, the masks were completed and delivered. One would think these women would be glad to have some time to themselves, but NO...they are dedicated to this cause.

The 1,000 plus masks our community made were distributed to: Waterbury Hospital, Oxford Ambulance, Oxford volunteer firemen, Shady Knoll Health Center in Seymour, Beacon Falls Ambulance, convalescent homes in Fairfield, Grace Meadows in Southbury, NY police officers, out-of-state hospitals, Oxford Greens residents, and other families, friends and neighbors, in state and out.

Hats off to the Oxford Greens sewing ladies and everyone else who helped them with supplies...may your hearts be full for all you have done! ■

This article originally appeared in the Oxford Greens Community newsletter. Reprint permission granted.

Editor's note: Such tremendous acts of kindness demonstrate the value of living in caring and engaged communities. Well done Oxford Greens! You make us proud!

"As of this writing, over 1,000 masks have been made and donated by these dedicated volunteers."

Legally Speaking...



Adam Cohen, Esq.

Just Following Orders: *Understanding the Governor's Coronavirus Executive Orders*

By Adam J. Cohen, Esq.

General Statutes Section 28-9 says that in the event of “any catastrophe,” the Governor can declare an emergency and assume control of the state’s civil preparedness forces and functions. Unless overruled by a special committee of the state legislature, he then has the power to “modify or suspend ... any statute, regulation or requirement or part thereof whenever the Governor finds [it] is in conflict with the efficient and expeditious execution of civil preparedness functions or the protection of the public health.” For up to six months, these orders “shall have the full force and effect of law,” and he “may take such other steps as are reasonably necessary in the light of the emergency to protect the health, safety and welfare of the people of the state.”

On March 10, 2020, Governor Ned Lamont declared that the COVID-19 pandemic had developed into such an emergency. To address the threat, he has issued dozens of executive orders since then aimed at limiting the spread of the virus and keeping the state running as smoothly as possible. A number of these orders directly affect homeowners’ associations.

Executive Order 7N issued on March 26, 2020 limits all social and recreational gatherings, whether indoors or outdoors, public or private, to no more than five people. On April 17, 2020, Executive Order 7BB required that with narrow exceptions, all persons must wear cloth face coverings whenever they are in public and unable to stay at least six feet away from others. In common interest communities, these orders mean that social events and similar functions are effectively outlawed until further notice. Although common areas may not technically be “public places,” residents should wear face masks unless they are certain they can remain at least six feet away from other people (and probably even then). Although the Governor has not specifically required closing private pools and other condo amenities, doing so is definitely advisable. Most insurers are warning associations that they will not cover any Coronavirus-related claims arising from amenities which are opened prematurely.

More recently, homeowners’ associations needed guidance about their springtime annual meetings. Although the Common Interest Ownership Act provides a number of mechanisms for conducting business remotely, many declarations and bylaws – especially older ones – require most meetings and votes to take place in person. Ironically, amending these documents to allow remote participation could itself require a live meeting. On May 1, 2020, Governor Lamont



Ullima_Gaina /Stock / Getty Images Plus

“Executive Order 7N issued on March 26, 2020 limits all social and recreational gatherings, whether indoors or outdoors, public or private, to no more than five people.”

issued Executive Order 7HH which waived all restrictions in every association’s governing documents on conducting meetings of their boards, committees, or unit owners by online, video, or telephonic methods. The statutory safeguards must still be followed, so a notice must be sent to every owner explaining how they can connect into and offer comments at these virtual meetings. This Executive Order also suspended any restrictions on conducting unit owner votes by referendum without a meeting. The board must distribute paper or electronic ballots, along with notices which explain the applicable quorum and passage thresholds, the deadline for returning the ballots, and how owners can communicate with each other about the subject of the vote.

Communities which maintain taxing districts are also subject to Executive Orders 7B, 7C, 7L, and 7HH. Together, these orders require every taxing district to adopt its annual budget by a board meeting conducted by telephone, video, or online no later than June 30, 2020. The public must be able to take part remotely, but the board members alone vote on approval. Participation instructions and relevant materials are posted to the district’s website before the meeting

and a transcript or recording is posted there afterward, and everyone who speaks must clearly state their names and titles. Executive Order 700 issued on May 14, 2020 says that all districts must use this same procedure during the last four days of June to conduct their board elections.

Tax districts are also required by Executive Orders 7S and 7W to grant relief for district tax installments. The relief must match the program and eligibility determinations of the town in which the district is located (unless the district spans multiple towns). The two available programs include extending the grace period from one to three months for the April and July 2020 installments for some or all taxpayers, or instead creating a three-month window of reduced interest for all current and delinquent taxes for all taxpayers. Communities with tax districts should contact their town's tax collector for information about which programs are in effect and how they must be implemented for their district's residents.

The full text of Governor Lamont's executive orders can be found at <https://portal.ct.gov/Office-of-the-Governor/Governors-Actions/Executive-Orders>. ■

Adam J. Cohen is an attorney with the Law Firm of Pullman & Comley, LLC headquartered in Bridgeport, Connecticut. As the Chair of its Community Associations Section, he represents and gives seminars to condominiums, tax districts, and other communities in matters ranging from amendments of governing documents to revenue collection strategies and commercial disputes.



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Common Interest welcomes the submission of articles, news and announcements subject to space limitations, editing and appropriateness, including educational value. The *Common Interest* Publication Committee will make every effort to publish articles submitted and may even be able to help you with your submission.

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Financially Speaking...



Daniel Levine, CPA

Tax Pitfalls

By Daniel Levine, MBA, CPA

2020 is shaping up to be an unusual year for the accounting function and profession. Not only are there new pronouncements to deal with, there is the health pandemic and its impact on certain accounting deadlines, namely the annual tax return. As of the writing of this article, the federal and state of Connecticut governments have offered a blanket extension to the filing deadline for some tax filers, including homeowner associations.

For December 31, 2019 year ends the tax return deadline has been extended from April 15th to July 15th. As that new deadline is almost here, I felt it would be a good time to highlight some tax return issues that go beyond the filing deadline but may be lesser known. Some of these details are quick, while others are more involved rules that are important to keep in mind.

Accounting Method Changes

An important consideration when filing the return is the basis for how you treat your transactions. This is known as your accounting method, and typically the most common methods are cash or accrual basis. However, once a method is selected, it is important to maintain consistency, especially with tax reporting.

Switching the method requires filing of additional forms with the IRS to let them know about the accounting method change. Part of filing the method change requires an adjustment in the current year by filing Form 3115. This form allows the taxpayer to report to the IRS the impact of the change in accounting method. If this form isn't filed and a switch is just applied this could result in counting revenue or expense multiple times. The IRS would not allow deduction of expenses twice and the taxpayer doesn't want to count revenue twice in the course of filing its return. This "double counting" could potentially happen if the proper steps are not taken.

For associations that undergo a change in accounting method it is important to speak with your current accountant to understand the additional filing requirements.

Address Changes

Many professionally managed associations don't have a specific mailing address on the property. Most mail is sent directly to the management company. If switching management companies, the IRS and State of Connecticut are important vendors that also need to be notified of the address change. Having a tax notice sent to an address



erhuai1979/Digital Vision Vectors/Getty Images

"...it's also important to understand that the association may be liable for taxes other than just income tax."

that is no longer applicable can cause complications and possibly increases in fees and penalties if a response is delayed as a result of the incorrect mailing.

When changing your address, Form 8822-B for the federal government and Form CT-8822C for the state can be completed and submitted with the return to ensure the address change is highlighted to relevant taxing authorities. The address change can also be noted on the main corporate tax forms as part of the filing process. If an address is changing during the year it will be important to highlight to the association's accountant so it is included as part of the filing process.

Tax Year vs. Financial Reporting Year

Some Associations have different tax years than fiscal years. So, for example there can be an association who perhaps ends their fiscal year on December 31, but their tax year ends instead on a different date such as March 31. This will change your filing date as for all intents and purposes the IRS has the association's year end as March 31.

This is important to understand for purposes of making the correct filing deadlines, but also to ensure that the information presented on the tax form is the correct time frame and includes all 12 months of the year. When switching management companies or handing the reins

[Continues on page 12.]

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FINANCIALLY SPEAKING...from page 10.

over to a new treasurer it is important that this distinction is known so it can be communicated to the tax preparer. This also makes it so that when the return is signed by the board it can be reviewed for accuracy that the filing time frame is correct.

Associations can modify their tax year to be in sync with their fiscal year if they desire. This requires what is known as a short-year filing. This filing is noted on the tax forms and will contain information related to the less than 12 months being filed. There are certain rules and deadlines that go along with this type of filing, so it is important to discuss this with the association's accounting professional if undertaken.

Filing Election

Annually an association can elect to file their return under Internal Revenue Code Section 528. If the association qualifies, this provides a simpler filing and has a chance of mitigating potential income tax as it modifies what is and what is not includable as a taxable item. The caveat here, assuming other exemption requirements are met, is that this election has to be made by filing the appropriate tax form in a timely manner. Timely is defined as being the return due date (including extensions if filed) for the association. If this deadline is missed, the association can run the risk of not being able to take advantage of this election and that can bring about tax consequences (and bills!) that could have otherwise been avoided.

Other Tax Types

This article highlighted many income tax quirks, but it's also important to understand that the association may be liable for taxes other than just income tax. Many different authorities can levy taxes and the association should take care to be compliant with them. Depending on the association's activity they could owe the state use tax, or perhaps if they have an office on location, there could be personal property tax owed to the town. For associations that have employees, federal and state payroll tax returns may be required to be filed. Having a key understanding of your association's activities will be critical to ensure that compliance is being followed and no past due filings exist.

Conclusion

Preparing a tax return is sometimes more than just the numbers. Becoming familiar with the rules can be important for association oversight and making sure that there are no filings that are missed. Having a conversation with the associations accounting professional can help create a smooth filing season as well as potentially head off any tax issues that could come about. ■

Dan Levine, MBA, CPA is a Certified Public Accountant at Tomasetti, Kulas, And Company P.C. Dan has extensive experience with tax and attestation services to condominium associations from all around Connecticut. Dan is an active participant in CAI-CT related programs and can be found presenting accounting best practices at these events throughout the year. Dan is also a member of our Legislative Advocacy Committee.

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Wndy Colleary, EBP

Why CAI-CT?

By Wendy Colleary, EBP

“I figured I’d have time alone with my thoughts. But it turns out I don’t have as many thoughts as you’d think.”

— Joey, Friends

If there’s one thing I’m learning during home confinement, it’s that while we may not have access to human contact, what we do have is the ability to still make connections through Zoom meetings, virtual happy hours, Face Time, and shocker of shockers, picking up the phone to talk to a real live human being. Now more than ever, we are taking advantage of those connections we might have missed before, when life was too chaotic to allow for perspective on what’s really important. And really, for many of us, didn’t we just assume we could all catch up later?

CAI-CT is one of those familiar resources that we often take for granted. Educational seminars? Check. Networking events? Check. Annual CAI-CT Conference? Check. Legislative advocacy? Check.

And then one day, like the rest of the world, normal comes to a grinding halt.

But not, unsurprisingly, for CAI-CT, which immediately pivoted to offering COVID-19 webinars on an array of timely topics to keep us connected and informed. The many volunteer committees of homeowner leaders and service providers are still meeting virtually to explore new ways of providing education and access to resources and to find new ways to continue to work on behalf of condo life betterment.

So why am I writing? Despite the wild success of the annual conferences and countless educational opportunities, strength comes in numbers. It may or may not surprise you to know that actual membership in the organization is only a fraction of the total number of condo communities (nearly 5,000) in the State. But imagine for example, if in lobbying state legislators on topics important to us, we could say we had the full backing of condo owners throughout the state, fully engaged in issues that directly affect them? Even better, what if those condo owners not only became CAI-CT members but engaged participants with fresh ideas and perspectives? Imagine how much more we could accomplish.

In these challenging times, CAI-CT is the comfort food we know we can turn to again and again in spite of our isolation, for reliable



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“...imagine for example, if in lobbying state legislators on topics important to us, we could say we had the full backing of condo owners throughout the state, fully engaged in issues that directly affect them?”

information and accessible resources. For \$125/year, a mere .25 a day, a homeowner leader can become a full-fledged member, and bargain of bargains, for .82 a day an entire Board of up to 15 members can join! As any of you who have been volunteer leaders know, not only is your service a thankless job (on behalf of CAI-CT THANK YOU), today’s unit owners challenge not only how their money is being spent but what you know as their elected representatives and more. So while fiduciary responsibilities that come with the job require an understanding of what those responsibilities are, so does knowing how to effectively run a meeting, how to source vendors who have experience with condominiums, and knowing what your enforcement rights are when it comes to current issues like service animals, marijuana rights, and social distancing. CAI-CT offers a WEALTH of invaluable access to what you need to know.

We are better as a community. Please don’t social distance CAI-CT. ■

Wendy Colleary, EBP is Vice President in Commercial Lending Business Development at Windsor Federal Savings. Wendy serves on the CAI-CT Board of Directors and chairs the Membership Committee.

On-Demand Recordings of our LIVE Webinars are available for viewing and are listed below.

Recordings are not interactive, therefore polling and Q&A functions are disabled.

Pools, Playgrounds & Community Amenities

(recorded June 12, 2020)

The weather is getting nicer every day. Are your homeowners clamoring to dive into summer activities in your association? Not so fast! Our speakers will address the many issues and concerns surrounding the opening of your amenities. This webinar was recorded live on June 12, 2020. The webinar includes Question & Answer with Joel Meskin, Esq., Chas Ryan, Esq., Kasey Burchman, Esq. & Frank Pingelski.

Pricing: \$25 (CAI Members who sign into their account prior to registering will receive a \$10 discount)

Approved for 1 continuing ed credit.

COVID-19 - Cash & Construction: How to Keep things Flowing

(recorded May 13, 2020)

Are you concerned about how to manage your association's budget with expected increases in unpaid common charges? Do you have a handle on cash flow forecasting? Will your budget require revision? Are you hoping to commence much needed capital improvement projects? What is the lending environment like these days for construction loans? Could your community qualify for any of the current government funding programs? Dan Levine, CPA and Erin Kremser will address these and other related issues.

Pricing: \$25 (CAI Members who sign into their account prior to registering will receive a \$10 discount)

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Zoom in with Coffee

(recorded May 12, 2020)

Many of us have had to dive into the world of Zoom with virtual meetings and webinars now a regular part of our days. This communication tool is likely here to stay and we are all still learning. We welcome you to join us for a session on some tips and tricks with Zoom.

Pricing: \$25 (CAI Members who sign into their account prior to registering attend for FREE)

No credits for this webinar.

COVID-19 - Legal Panel Q&A

(recorded April 30, 2020)

Chas Ryan, Esq. & Bill Ward, Esq. will address legal issues pertaining to COVID-19.

Pricing: \$10 (CAI Members who sign into their account prior to registering will receive a \$5 discount)

No credits for this webinar.

COVID-19 - Construction and Maintenance/ Pandemic Proof your Pool

(recorded April 23, 2020)

Part One: Construction and Maintenance - Construction and maintenance continues to be an essential service during this "stay at home" time. With certain precautions in place, some construction projects can be performed now.

Part Two: Pandemic Proof Your Pool - We'll also dive into the questions about how to manage pools during this time. What we are recommending is going to save these pools from costly repairs and algae mitigation down the road. Let's not forget to protect our community's investments, and remain problem free for years to come.

Pricing: \$25 (CAI Members who sign into their account prior to registering will receive a \$10 discount)

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COVID-19 - Legal Panel Q&A

(recorded April 16, 2020)

Scott J. Sandler, Esq. & Chris Hansen, Esq. will address legal issues pertaining to virtual meetings during the COVID-19 crisis.

Pricing: \$25 (CAI Members who sign into their account prior to registering attend for FREE)

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COVID-19 - Legal Panel Q&A

(recorded April 9, 2020)

Chas Ryan, Esq. & Kasey Burchman, Esq. will address legal issues pertaining to virtual meetings during the COVID-19 crisis.

Pricing: \$25 (CAI Members who sign into their account prior to registering attend for FREE)

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COVID-19 - Association Meetings

(recorded April 7, 2020)

Chas Ryan, Esq. & Kasey Burchman, Esq. will address legal issues pertaining to virtual meetings during the COVID-19 crisis.

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BACK TO BASICS: *Consider the Rule of Three to Restore Balance to Your Aquatic Ecosystem*

By Erin Stewart, Aquatic Biologist & Regional Manager and Katelyn Behounek, Aquatic Biologist

When developing a management plan for a lake or pond, it is important to keep its purpose and priorities in mind. Is it strictly aesthetic? Is it used for fishing or recreation? Maybe it facilitates irrigation, drinking water, fire suppression, or stormwater collection? An effective freshwater management program can be compared to the importance of each leg on a “three-legged stool.” Just like the legs supporting the stool, many water resources are interdependent, meaning that the actions taken in the watershed could cause imbalances that have negative consequences downstream.

Think of each “leg” of this metaphorical three-legged stool as representative of the (1) physical, (2) chemical, and (3) biological components of a freshwater resource. If one part of this trinity breaks down, the others will follow. To ensure each of these aspects is protected, it’s important to understand the ways in which they contribute to the health of a waterbody and how to identify imbalances when they arise.

The first leg of the stool — the physical characteristics of a lake or pond — includes features such as size, depth, volume, bottom substrate, water source and exchange through the system. These are major components that can affect how a lake or pond responds to environmental conditions. For instance, shallow ponds with excessive build up of bottom muck and sediment, or those with limited water movement, will be more likely to experience algae and weed growth than a large, deep lake or one with lots of movement.

The chemical characteristics, the second leg of the stool, refer to natural water quality components that can be measured, such as temperature, dissolved oxygen, pH, nutrients, water clarity, dissolved metals, salts and many other parameters. Poor water quality in lakes and ponds often occurs when these parameters become imbalanced in one direction or another. This is often caused by polluted runoff entering the waterbody that contains fertilizer, pet or wildlife waste, landscaping debris (grass clipping and leaves) and other organic materials. This process of nutrient “pollution” is one of the most common causes of chemical imbalance in a freshwater ecosystem.

The third biological component of the stool comprises all living things, including algae, plants, bugs, fish and microorganisms. Nutrient pollution is an example of how one component can directly affect another; nutrients encourage algae and aquatic plant growth. While moderate levels of growth are natural and provide habitat and food for fish and wildlife, algae and aquatic weed growth can proliferate under imbalanced conditions. Without proper management, nuisance algae and vegetation can block sunlight, limit access for fishing and boating, and compromise aesthetics. As these increased populations of plants and algae decay as part of their natural lifecycle, they will release more nutrients into the waterbody to fuel additional growth, creating a vicious cycle. In the process, the risk of fish kills,



akaplummer/E+/Getty Images

“A proactive approach is most effective when it accounts for all elements of an ecosystem.”

offensive odors, accumulation of bottom muck and nuisance insect populations can all increase—further offsetting the balance of the waterbody’s physical, chemical and biological characteristics.

Having knowledge about the benefits of proactive management, and sustainable tools and technologies at our fingertips, adds a fourth, stabilizing “leg” to the “three-legged stool.” With a proactive management in place — even if one of the other components is slightly out of balance — the stool may wobble but will not fall over. In other words, problems that might normally be detrimental for a lake or pond can be identified and resolved early on, before they can impact other aspects of the ecosystem.

A proactive approach is most effective when it accounts for all elements of an ecosystem. Vegetative buffer management, shoreline stabilization, aeration, regular stormwater inspections, and even sediment removal are all proactive ways to support the physical leg of the stool. These tools limit the influx of runoff and pollutants, prevent erosion and sedimentation, increase water movement and maintain the depth and structural components of a lake or pond.

Some of the more advanced management strategies utilize nutrient-locking products or beneficial bacteria to cycle and remove excess nutrients from the water column, reducing the potential for chemical imbalances. New technologies like nanobubble treatments can be used alongside these solutions to increase beneficial dissolved oxygen concentrations and enhance overall water quality. Aeration of all types can also help foster the health of fish, wildlife and beneficial insects through the biological food chain. These proactive tools can help give

[Continues on page 18.]



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ENVIRONMENTAL TIP

Staying home during this pandemic means less driving from most of us. Although traffic is picking up in our state, the air still seems purer than is typical. Pollution levels can remain lower if we continue to drive less. For instance, most grocery runs involve buying enough to last for an extended period of time. Perhaps this can be something that carries on when we get back to a “better” normal. Less trips to the store and consolidated errand runs means less miles driven and less pollution. A win for everyone’s lungs and the planet!



RULE OF THREE...from page 16.

more “stability” to a freshwater management plan so serious, costly problems are far less likely to arise.

Whether mosquitoes and bad odors are keeping you away from the water or nuisance algae is causing an eyesore around your property, there are always ways to counteract the issues you are experiencing. It is important to bring in a professional to educate you about the best proactive approaches for your waterbody and help design a custom management plan before problems get out of hand. Just like a master carpenter would use his knowledge and expertise to build you the best seat, a certified and trained lake management professional will take each “leg” of the aquatic resource into account to achieve your unique goals and objectives. ■

Erin Stewart and Katelyn Behounek are Aquatic Biologists with SOLitude Lake Management, a nationwide environmental firm that provides sustainable lake, storm-water pond, wetland and fisheries management solutions.



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Manager's Column...



Rich Wechter, CMCA

Being Practical, Part LXIII Community Associations in the Era of the Coronavirus — A New Reality Part 2

By Rich Wechter, CMCA

In this column, we tackle various topics of interest with the intent of imparting practical advice. This issue's column continues an examination of the impact on community associations of a once-in-a-century pandemic that has proven to be both deadly and overwhelming to all of us. We again hope that this review will aid Association Boards of Directors and our fellow community association managers in their efforts to govern and maintain their communities going forward as Connecticut begins the slow and safe opening up of the State and we follow suit for the community associations we manage and govern.

A. Setting the Table on this Topic

It was hoped back in March of this year that the self-quarantine rules would last just a few weeks and we would all be back in our offices looking forward to normal spring activities. This hope has been shattered and we are all now coming into the summer months trying to salvage the pool season for communities with pools and adjusting the manner in which Boards and unit owners meet. There is no expectation that life will return to pre-pandemic circumstances. We are, without question, in a world with a "new normal" that is still in development. It is quite likely that it will take a while to reach that "new normal" world both with respect to a framework and execution.

It is within this context that we begin our discussion of this matter. Before doing so, however, we would again like to thank all of the people in our world of community associations and outside our little world (the doctors, nurses, other health professionals, grocery store workers, farmers, truckers, mail deliverers, police, fire, EMT and a host of others that time does not allow to mention) who are out on the front line during this health crisis. We are grateful to All of You for what you do for all of us.

B. What is the Framework for the New Normal

While we cannot state with 100% degree of certainty the look of the new normal in community associations as a result of the current health pandemic, we are quite comfortable in noting a number of changes that we feel confident are here to stay.

The first such change is the utilization of virtual technology to hold both Board meetings and Unit Owner meetings. It may be a long time before anyone is comfortable meeting in a large group setting. The ability to conduct business by use of Zoom, WebEx and similar platforms is something that will likely be the norm, not the excep-



SergeyChayko/Stock / Getty Images Plus

tion to how such meetings are conducted. These platforms have, to date, resulted in more efficient meetings and greater participation by unit owners. It provides a mechanism for Board members and Unit Owners to attend Board meetings when out of town on business or vacation. It provides an opportunity to bring in attorneys and consultants more efficiently, and most importantly, with reduced costs as participants do not need to travel from their homes or businesses to join these meetings. Property managers can go home after the business day, have an enjoyable and relaxing dinner and then go into a virtual meeting from the comfort of their home, eliminating the sometimes painful trip on the highways of CT to get to a meeting venue on time. The technology also allows for meetings to be held earlier in the day than the typical early evening hours. The only disadvantage to virtual meetings will be the loss of the home-baked cookies and treats that some Board members would make. Winter weather cancellations of meetings will be a thing of the past. Reducing the cost of holding meetings at various venues will be another side benefit to the utilization of virtual meetings.

The second major change in the New Normal will be the utilization of safety measures such as facial masks, disinfecting products and social distancing. There is no way to know when and if a vaccine will become available and the degree of effectiveness of that vaccine. Accordingly, the use of facial masks, disinfecting products and social distancing are here to stay in some fashion. We all hope and pray that a second or third wave does not hit us. However, if history is any indica-

tion of the likelihood of such an event, all of the safety measures currently in play will need to be maintained or restored as events play out.

The third major change in the New Normal will be the manner in which property management companies and their employees perform their jobs. Working from home is already here and the number of people working from home will continue to grow. Performing the back-office work from accounting to work order creation and monitoring to creation of board packages and attending meetings of all kinds virtually, is without a doubt, the most significant change during these last few months.

It is suggested that regular mail, and most certainly certified mail are both dinosaurs, whose continued existence is limited. While the role of mail carriers in our history has been noble and valuable, if this pandemic has shown us anything, it has demonstrated that snail mail is a thing of the past. All transmittals to and from property management companies and residents have been slow to be received. Electronic communications must now become the norm, not the exception. It is strongly suggested that electronic communication be the default means of communication in our business, ten year after the implementation of the major revision of CIOA effective July 1, 2010. The time is NOW for such a change in the law.

Finally, with the added safety measures that are now required and may continue to be required for the foreseeable future, associations will be incurring higher operating expenses than expected. While some operating expenses may be reduced, the overall prognosis is increased operating expenses going forward.

C. Internal Dynamics to be Addressed

The major internal consequence of the self-quarantine is the rise of the libertarians, who have been most vocal in opposing the protocols put in place as a result of State and Local requirements and those additional requirements put in place by Association Boards of Directors. This has created a fair amount of tension between some residents and Boards as well as between different factions of residents. What we see on the news around the country is already happening at our community associations. It has been most difficult to balance the interests of those who want the pool opened yesterday with those who want to be safe when at the pool.

It is strongly recommended that safety must always be the paramount concern. While all opinions should be considered, a Board must weigh the safety of all residents, the financial viability of the association to afford the safety measures necessary to open up parts of the association, most significantly the pools, and, finally, the need to protect the association from a lawsuit for which their master insurance company will neither defend nor indemnify the association in the event of a coronavirus lawsuit and a potential devastating judgment against the association.

D. The Need for Support of the Board

Any governing leader right now has a target on their back for either moving too slowly or too quickly in the reopening of their respective association amenities (pools, fitness centers, clubhouses, etc.). There is a

[Continues on page 22.]



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MANAGER'S COLUMN...from page 21.

big concern that this experience will cause many Board members to step down or refuse to run again out of sheer exhaustion and disgust over this battle. While such action is predictable and understandable, the consequences to associations of losing experienced and dedicated Board members could be quite devastating and have long-term effects. Board members need to be encouraged to stand tall through this crisis and to hold firm with the right decisions for the right reasons. We think that in the long run, such actions will be supported by the vast majority of residents who will understand the many considerations that Board members must look at in reaching the necessary decisions to open up their associations.

E. Conclusion

This current crisis may be the most difficult time in my almost 30 years involved in community associations in a variety of roles. I have witnessed acts of courage, acts of kindness and acts of sacrifice over the last three months. On the other hand, I have also witnessed acts of extreme selfishness and insensitivity to others during this same period of time. I can only hope that we all get through this stronger, safer, and smarter than before the pandemic broke out. We hope that this article will aid property managers and association board members in getting past the most difficult crisis in our lifetimes and to remain safe now and going forward. We also hope that our next article will be on a more traditional and pleasant subject matter. ■

Rich Wechter, CMCA is Senior Vice President at Westford Real Estate Management, LLC.



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MONEY RULES

Community Associations and Reserve Projects

By Rick Filloramo

My company, along with many other firms, have been creating reserve studies for years on the current inventory of aging condominiums. We have also made many presentations recommending Associations perform a reserve study, fund reserves, execute capital improvements and NOT defer maintenance.

So, what are the results? Well it varies, but for the most part – MONEY RULES.

That's right — most unit owners do not want fees to increase. Capital improvement projects are generally deferred until they are forced to perform the work because of safety issues, leaks, units become condemned, insurance problems or lawsuits. Now the project costs more, as the damage is extensive, insurance costs have increased and legal claims may have been initiated. Unit owners may not be able to sell their units or the value decreases.

YET – MONEY RULES.

Not all, but some Associations will initiate repairs only. For example, instead of removing and replacing all the 30-year-old asphalt roads and parking, they will patch only the very deteriorated areas or only repair the roofs that are leaking. Does this make sense? Of course not — but MONEY RULES.

WHY DOES MONEY RULE?

1. Unit owners that have lived there for many years should pay for a loan or assessment for reserve projects, but just cannot afford it or it would be a financial challenge.
2. Unit owners that have lived there for many years should pay for a loan or assessment for reserve projects, but plan on moving soon and just do not care.
3. There are new or more recent unit owners that feel they should not pay for reserve projects that should have been paid by past unit owners.
4. There are new or more recent unit owners that should pay for a loan or assessment for reserve projects because they will last another 20 years, but just cannot afford it or it would be a financial challenge.
5. There are new or more recent unit owners that should pay for a loan or assessment for reserve projects because they will last another 20 years, but plan on moving soon and just do not care.
6. Of course, there are many more reasons.

OPTIONS

Is there a solution? YES. Of course. First a DETAILED recent reserve study is required to first establish which site and building elements require removal and replacement or restoration. Detailed means just that – real detail which includes an accurate quantity survey and cost analysis of all elements. This information is then placed in a 20-year reserve schedule. In general, the reserve balance cannot



(above) **WHEN IT'S TOO LATE — REMOVE AND REPLACE ENTIRE BUILDING.** Deferred Maintenance, (painting, roofs, doors) required the entire building to be demolished and rebuilt costing thousands.



(above) **ROADS — Spot asphalt repairs and deferred maintenance can cause base and sub-grade deterioration and greatly increase road replacement costs.**

fund the reserve projects, and an assessment and/or loan is required. The good news is that banks now offer 15 and 20 year rates and plans which greatly reduce the monthly costs for unit owners and rightfully spreads the cost over the 20-year reserve plan.

It is essential that the reserve study includes payment options that are integrated with the budget and reserve contributions. Often, this additional step is not performed by the firm but should be. Please see the loan chart on the facing page and examples.

Example 1:

Some Associations are more prone to use a 5-year loan on just the one reserve project that is in need of immediate restoration, even though another project was also in need of restoration. The other project or projects are then deferred, which usually leads to increased maintenance and costs.

Let us say the Association requires:

Roads be repaired first for:	\$500,000	=	For 5 years that's \$92/month per 100 owners
Roofs were next for:	\$500,000	=	For 5 years that's \$92/month per 100 owners
The Total for the two is:	\$1,000,000	=	\$184/month per 100 owners

Since roof and asphalt replacement have a lifespan of at least 20 years:

A better Option is to amortize the full \$1,000,000 over 20 years = \$62/mo. per 100 owners. This is a savings of \$122/month per 100 owners.

There is also a significant savings securing one loan rather than two or more. There are the costs of the loan, application, other fees, legal and consultants.

Estimated Loan Costs per 100 Unit Owners										
Item	Loan	Assessment	Rate	Monthly	Rate	Monthly	Rate	Monthly	Rate (3)	Monthly
#	Amount	per 100	4% - 5yr	Per 100	4.25% 10y	Per 100	4.50% 15y	Per 100	4.25% 20y	Per 100
1	\$500,000	\$5,000	9208	\$92	5122	\$51	3825	\$38	3096	\$31
2	\$1,000,000	\$10,000	18416	\$184	10244	\$102	7650	\$77	6192	\$62
3	\$2,000,000	\$20,000	36833	\$368	20487	\$205	15300	\$153	12385	\$124
4	\$3,000,000	\$30,000	55250	\$552	30731	\$307	22950	\$230	18577	\$186

NOTES:

- 1) The rates shown are ballpark estimates only and will vary based on date of loan.
- 2) The rates will also vary depending on financial status of the Association.
- 3) Some banks do not offer a 20-year loan and the 10-year rate is used and then is reset after ten years.

See more
graphics on
page 31.

Example 2:**Let us say the Association requires:**

Roads be repaired first for: \$1,000,000 = For 5 years that's \$184/month per 100 owners

Roofs were next for: \$2,000,000 = For 5 years that's \$368/month per 100 owners

The Total for the two is: \$3,000,000 = \$552/month per 100 owners

Since roof and asphalt replacement have a lifespan of at least 20 years:

A better Option is to amortize the full \$3,000,000 over 20 years = \$186/mo. per 100 owners. This is a savings of \$422/month per 100

owners. The 5-year plan would be cost prohibitive at \$552/mo.

There is also a significant savings securing one loan rather than two or more. There are the costs of the loan, application, other fees, legal and consultants.

IT IS ESSENTIAL to include all reserve projects in the 20-year reserve project analysis. ■

Rick Filloramo is President of National Consulting Group, Inc. He is a frequent speaker at CAI-CT education programs.



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Timothy Wentzell, P.E.

TECHNICAL EXPLANATIONS

This column appears in each edition and is intended to touch on technical topics of general interest to common interest associations. Topics will be of a general nature, but I will also accept and respond to questions from readers. On occasion, it will be guest authored when topics can best be addressed by experts in other fields.

Appropriate Level of Professional Services

By Timothy Wentzell, P.E.

Any firm offering professional services or construction services for many years has likely sat in front of a board or other group and been asked why their services are so expensive. Sometimes it's a matter of explaining what is involved in a project so that one can better understand the amount of time spent. Recently, I was at a meeting where a board member asked why we were not proposing extensive core sampling. When I queried further after the meeting as obviously this piqued my curiosity, they showed me the proposal from the other firm for their upcoming paving project. The firm's proposal included approximately thirty core samples in order to measure the thickness of the pavement and the underlying base material. I remembered this question coming up earlier in discussions with this same board about whether core samples were needed when repaving a 30-year-old paved complex and I had explained to them that although it provides interesting information it likely doesn't change anything about how the pavement project would be undertaken. For example, if the core samples showed marginal base materials, would an association elect to replace these materials, especially as it might double the cost of the project? I suspect we all know the answer. If the pavement had survived for 30 years, likely the new pavement would as well. Although beneficial to replace the base, this would not be cost effective, therefore, raising the question of why ask the question if it doesn't change the course of action? The fact that this pavement had lasted 30 years and although obviously needing replacement at this point in time had provided excellent service to the association would not make base replacement an obvious need. I recently was given another engineering proposal for a repaving project that included costs for a property survey and wetlands marking. This project assumed all new paving would go back in existing locations. As no town approvals are typically needed for a repaving project I question the need for these activities.

The opposite case from this we have found might be the example of a roof replacement. When we are asked to provide a proposal for preparing specifications for a roof replacement project, we always ask if the association has had ice damming problems. If so, we explain to them that we believe it would be necessary to include an investigation of ventilation and insulation conditions in order to effectively prepare an appropriate roof specification. On occasion, we have told



van-baivan/stock / Getty Images Plus

"It can be seen from these examples that determining the appropriate level of professional services is not always straight forward."

associations that we are uncomfortable preparing roof specifications if we don't at least attempt to determine if the conditions that cause ice damming can at least be improved or minimized.

It can be seen from these examples that determining the appropriate level of professional services is not always straight forward. For a board member or property manager to determine the appropriate level of professional services is multifaceted. By raising the question of what would further investigations yield, one can better understand the value of supplemental investigations in undertaking a large project. In the case of the paving, the sampling of the base material likely would not have changed in any significant manner how the pavement replacement was undertaken. However, in the case of the roof replacement project, if it was found that the ventilation was blocked or insulation was clearly insufficient, this could be done as part of a roofing project at a far lower cost to the association then trying to undertake it as a separate task. ■

Please address any questions or areas of interest that you would like answered in future columns to Timothy Wentzell, P.E., e-mail: ConnPropEng@cox.net.



Ask Mister Condo!

You have questions! Mister Condo has answers! Every issue of *Common Interest* features an “Ask Mister Condo” Question submitted by a reader of the Ask Mister Condo website at <https://askmistercondo.com>. There are often many reasonable suggestions and solutions to condo questions. Mister Condo is asking you to participate and share your wisdom with the world. Review the question and Mister Condo’s answer below. Do you have anything else you’d like to add to this question or answer? Comment online at <https://askmistercondo.com>.

Condo Special Assessment Money Reallocated

A.D. from Hartford County, Connecticut writes:

Dear Mister Condo,

Our condo board has admitted to keeping a portion of owner’s monthly and payoff payments designated for special assessment loans, and using them for other purposes. Can they do this?

Mister Condo replies:

A.D., well, apparently, they could and they did! The question is should they have done that? The short answer is that monies that are designated for Special Assessments can only be collected and used for the Special Assessment they were collected for. There is a good reason for that. If an association has not saved enough money over the years for vital components such as a roof replacement, a Special Assessment can be levied on the current homeowners to pay for that vital component. Any monies collected for that specific reason and not spent on that item need to be returned to the homeowners. Homeowners may elect to let the association keep those unspent funds and roll them into their operating fund or put them towards another item but the homeowners need to have a vote in order to do so. The Board cannot simply reallocate the money on their own. However, unless someone (like

you) challenges on this action, it will likely go unchecked. Depending on the amount of the money in question, it may be a moot point. If you and enough of your fellow homeowners question the Board’s decision, the money collected under the Special Assessment that did not get used for the Special Assessment intention could be returned to the homeowners. If they need more money to run the association, they need to propose an increase to common fees at the next Annual Budget meeting so that homeowners can vote in support of the new budget. Otherwise, the Board is effectively bypassing the homeowners right to control how their money is being spent. That’s bad business for the Board, the homeowners, and the association. Good luck!

Did you know that you can subscribe to the weekly Ask Mister Condo newsletter? Go to <https://askmistercondo.com/subscribe/> and you’ll get Mister Condo’s best advice delivered to your Inbox every Monday! Follow Mister Condo on Facebook or Twitter and get daily updates on current questions delivered right to your phone, desktop, or tablet. Since 2012, Mister Condo has been politely offering some of the best HOA and condo advice to readers just like you! Join in the friendly conversation at the website or on Twitter, Facebook, and LinkedIn. Visit us at: <https://askmistercondo.com>. There’s plenty to talk about! ■

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[Continues on page 30.]

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Graphics from Money Rules...

article on page 24.

Photos & graphics this article courtesy CAI-CT.

RESERVE SCHEDULE - OPTION 1			2018 to 2020			
Item #	Project Description	Current Value	20 Year Value	2018 Year 1	2019 Year 2	2020 Year 3
	Age of complex varies 1986-1989			32	33	34
1	Administration, Clerk, Consultants, Legal, Loan Fees, Other	153,000	153,000	153,000		
2	Asphalt Roads & Parking - New	444,000	444,000	444,000		
3	Site Elements: Trees, Walls, Lights, Fences, All	250,000	250,000	117,000	7,000	7,000
4	Rear Decks - PT Decking & Synthetic Rails	320,000	320,000	160,000	160,000	
5	Entrance Stairs & Terraces - PT Decking & Synthetic Rails	915,000	915,000	457,500	457,500	
6	Roofs	670,000	670,000			
7	Painting - Exterior trim repairs	45,000	45,000	45,000		
8	Painting - Buildings Only	240,000	850,000	80,000	80,000	80,000
9	Painting - Rear Decks & Entrance Terraces (Decking)	136,000	336,000			
10	Windows & Skylights	300,000	300,000	150,000	8,000	8,000
11	Deck Stationary Doors & Operable - all	350,000	350,000	175,000	9,000	9,000
12	Entrance Doors & Others - Completed in 2016	0	0			
13	Exterior Elements - Other	20,000	20,000	18,500	1,500	
14	Gutters and Downspouts	176,000	176,000			
15	Attic Insulation, Crawl Space Repairs & Other	200,000	200,000	100,000	50,000	50,000
16	Association Facilities: Clubhouses, Pools, Mailhouse, etc.	250,000	250,000	50,000	10,500	10,500
17	TOTAL CAPITAL EXPENDITURES/RESERVE EXPENSE	4,469,000	5,279,000	1,950,000	783,500	164,500
18	TOTAL CAPITAL EXPENDITURES/RESERVE EXPENSE 20 YR	5,279,000				2,898,000
RESERVE SUMMARY WITH LOAN						
F1	Reserve Balance at Start of Year January 1, 2018			240,000	1,320,000	581,200
F2	Annual reserve Funding with 5% increase per year			30,000	31,500	33,075
F3	Annual Reserve Funding per unit/mo. with 5%			16	16	17
F4	Capital / Reserve Expense			1,950,000	783,500	164,500
F5	Reserve Balance			-1,680,000	568,000	449,775
F6	Loan & Interest			3,000,000	13,200	5,812

PHOTO 4: Example of the first few years of a 20-year reserve schedule. The reserve balance cannot fund the reserve projects, and an assessment and/or loan is required. Linear Spreadsheets, as shown, serve as one of the best methods to illustrate a reserve schedule and are easily updated.

Detailed & Accurate Information For Reserve Studies

**Rail Systems:**

Material: Custom prefabricated or site-built synthetic rail system - \$40 lf x 25 lf = \$1000

Note: Since there is only 2 lf of rail difference between D1 & D2 deck, estimate uses 25 lf (D1).

Total for a typical lower deck: \$1600 + \$1000 = \$2600 or about \$36.11 / sf

ALTERNATE A - UPDECKS: PT Deck Boards and Synthetic Rail System**Decking**

1. Use about \$3/lf for material for 2x6 PT decking with fasteners
2. Material: 9x3=27 sf x \$3 = \$81
3. Labor: Remove and replace: 2 men for 5 day = 8 hours x \$50 = \$400
4. Allowance for repairs, joint, etc.: = \$200
5. Pre-prime PT deck boards all sides - 27 sf x \$2 = \$54
6. Final painting of deck boards: 27 sf x \$3 = \$81
7. All total for Lower Deck - Decking: = \$816 -- use \$800 / 27 sf = \$29.63 / sf.

ABC Condo Association Saving Quantity Survey 11-09-17							
L#	Sublet	Length	Width	SP Area	Curbs	Spaces	CB
1	Main Road	1535	23.4	35868	2545		
2	Area 01	132	25	3300	275		
3	Area 02	135	25	3375	130		
4	Area 03	132	25	3300	145		
5	Area 04	170	25	4250	175		
6	Area 05	180	25	4500	185		
7	Area 06	90	25	2250	250		
8	Area 07	90	25	2250	30		
9	Area 08	180	25	4500	190		
10	Area 09	230	25	5750	220		
11	Area 10	130	50	6500	130		
12	Curbs & CB				230	23	
All TOTALS				108868	2990	230	23

PHOTO 3



CT's Condo Insurance Specialists



Rich Bouvier



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