

Common Interest

The Official Publication of CAI-Connecticut

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CONNECTICUT CHAPTER
community
ASSOCIATIONS INSTITUTE

Inside:

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Association's
RESPONSES
TO COVID-19**

**FINANCIAL
STATEMENT
BASICS**

**Ring, Ring: What Can
Associations Do About
DOORBELL CAMERAS?**

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Staff

Kim McClain
Chapter Executive Director
 kim@caict.org

Ellen Felix
Director Program Operations
 ellen@caict.org

Who Is CAI?

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

"...your CAI-CT Board has launched a formal strategic planning process to review the activities we pursue, our purpose and where we might head."

Greetings — Our Connecticut CAI Chapter may rank as the best — certainly one of the best — chapters in the country. No need here to dwell on the measures that evidence our strengths — our financial condition, outstanding staff, programs, and incredible volunteerism to mention a few. But an organization makes a serious mistake if it does not continually reexam its business and operations. Consequently, your CAI-CT Board has launched a formal strategic planning process to review the activities we pursue, our purpose and where we might head.

We began discussion of a formal process one year ago, unbelievably. Then the pandemic happened, and attention understandably was diverted. But we are back to a point (of equilibrium?) that suggests we can proceed. Arguably the pandemic caused us to look at our activities and operations in a way we never could have done so thoroughly in normal times.

Some of the questions we are asking ourselves are whether more can be done to build our membership ranks? Vendors and management companies value access to wider markets and CAI is uniquely situated to assist; should we do more? Management companies constantly cite the struggle to recruit employees who will make working in our industry an appealing career. Should this issue be a focus, and how would we attack it? How effective and how important is our public policy and government affairs mission? Is our staffing optimal, now and in the future? Are educational programs we sponsor as effective as possible?

I've described the exercise in the briefest of terms. We are building on success, for sure. And we certainly welcome input from all the stakeholders in our Chapter. ■



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From the Chapter Executive Director

“Sidewalks play a crucial role in animating our society, from basic transportation and accessibility to community cohesiveness and viability.”

— *Ped Connections: a Strategy for Sidewalk Infrastructure* (2008)
City of Edmonton Alberta



Kim McClain

Courtesy CAI-CT

Our neighbors to the North certainly have a healthy perspective about how infrastructure can help build connections. For the past few months, I have observed the construction of a large segment of sidewalks which will ultimately connect the center of town to a smaller business segment. In between there are many side streets connecting a variety of neighborhoods. Each time a portion is completed, I notice a few more people walking along the new, safer concrete path. The sidewalk is where we see casual conversation — socially distanced of course — of neighbors catching up with one another. While walking along, one can also take the time to notice things in a different way than is possible while cruising by in a car.

Although most of our world has moved to communicating through computer screens, we see opportunities to create a virtual sidewalk for our common interest community in Connecticut.

The theme for our March 19 & 20, 2021 Conference & Expo is focused on connections. We know there is plenty need for business to be conducted and both fun and serious conversations to be had. Our event will allow all of this to happen. Keep on the lookout for upcoming “Demo Days” to get ready for our big event.

No doubt, this year has been fraught with challenges and chaos. Nevertheless, we have been amazed and impressed by the ability of so many of our members to adapt and move forward. Our chapter is indeed quite fortunate to have a solid core of volunteers who help us to find ways to connect to one another. We hope that 2021 will bring us closer to a path towards a new normal that will include seeing one another outside of a screen.

Best wishes for a happy, safe and healthy Holiday!

Peace,
Kim

SAVE THE DATE!
**CAI-CT Annual
Conference
& Expo**
Friday & Saturday,
March 19 & 20, 2021



Reservations for Booth Space & Sponsorships now being accepted.

People in the News...

Restoration specialist **Bill Jackson** of Naugatuck, CT has joined the business development team at Adam Quenneville Roofing & Siding, Inc. He will work to expand partnerships throughout the New England condominium industry. Bill served as a member of the CAI-CT Board of Directors for six years. He also currently serves on our Full Fun Committee, Conference Committee, and he's a Certified Educated Business Partner. ■



Bill Jackson, EBP



Have News to Share?

Send your items for People in the News to Kim@caict.org!

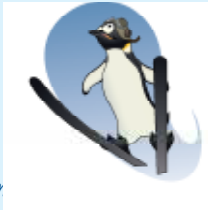
UPCOMING CAI-CT EVENTS

Jump Start January

Wednesday, January 13, 2021 • 12:30 - 2:30 pm



This is a two-part program exclusively for Community Association Managers and Business Partners.



Pricing: \$35 (Sign into your account prior to registering and receive a \$10 discount.)

(Pending Approval for 2 continuing ed credits.)

PART 1: HOW TO BE HUMAN WITH TECHNOLOGY

(CAMs and BPs)

Behind all industry professionals is a team of people who support them. Keeping up relationships with everyone all the time can be tough—and technology can help. Join Author Beth Z, Your Nerdy Best Friend, to discover resources that help you make connections and strengthen relationships with apps, tech tools and other technologies—without breaking the bank. Takeaways:

- Use artificial intelligence to discover how to work better with others
- Learn new techniques for remembering names and faces
- Find new (and easy) ways to recognize and thank colleagues and clients

PART 2: (Breakouts)

A. Community Association Managers (CAM): Managing the Challenges of Collections, Mechanics Liens and Breach of Contract. Managers have many tasks to manage. Dealing with the conundrum of problems that these three issues create can get very complicated very quickly. This program will help you determine the obvious, and maybe not so obvious, triggers for when to pursue legal action and what documentation is necessary to ensure a successful outcome.

B. Business Partners (BP): Take a tour of our March 2021 Conference & Expo – Discover the Possibilities!

Sponsorships Available for this event. Contact ellen@caict.org.

January Fun – It's '21 – Let's Have Some Fun!

Wednesday, January 20, 2021 • 4:00-5:00 pm

Trivia Contest

Wear your College Sweatshirt (Or your kids' college, or your favorite college team – you get the idea!)

Join us and find out how much we all know!

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Fabulous February Fundamentals
3 Component WEBINAR Plus
Round Table Discussion

1. February 6 (9:00-11:00 am): Legal - Understanding State Laws & Association Governing Documents

2. February 13 (9:00-11:00 am): Long-term Planning & Financial Matters

3. February 20 (9:00-11:00 am): Insurance & Round Table Discussion

For a limited time, we are offering **PANDEMIC PRICING** for our most popular board education program! **FOR THE LOW PRICE OF \$50 TOTAL, UP TO 10 PEOPLE CAN ATTEND!** It's the same price for 1 or 10 attendees from the same association. **WOW!**



Statutory Snippet...

CIOA (KAI-OH-WAH) — Otherwise known as the Common Interest Ownership Act.

This Act serves as the fundamental legal document for common interest communities in Connecticut. All association board members should be familiar with this document. If you have some new board members who have not yet added this term to their vocabulary, or you are a bit rusty on the many facets of CIOA, be sure to attend our upcoming Condo Inc. program on Feb. 6, 2021. (See ad on page 9.)

Website & Virtual Insights



Hopin is a virtual venue platform with multiple interactive areas, including chat, group video conferencing and private video conferencing. We are so

excited to add this software to our virtual toolbox. Using this platform will allow the CAI-CT to community to create a personal interactive event experience. Attendees will be able to hop into an education session, hop over to a commercial break, hop into a private video conference chat with a speaker, sponsor or peer. Need a private face-to-face with someone? Invite them to a private video call! We really think you will be blown away!

Join the CAI-CT Connections Campaign. You can share in two ways:



1. Video: Use your phone or tablet to create a short (10-15 seconds) video about what is happening in your community to keep you connected.

2. Picture and Quote: Send in a picture from your community, such as your condo's little free library or your client's nature trails. Add a quote explaining why you are proud of this feature.

We look forward to featuring how you are staying connected in our magazine and on our website!

Visit www.caict.org to register and for updated information.

NEW & RENEWING MEMBERS

Welcome New Members

Associations

Bartlett Hill Homeowners Assn.
Crown Ridge Condominiums Assn., Inc.
Greenwich Towers
Mattabasset Owners Assn., Inc.
Sonoma Woods Condominium
South Windsor Woods Assn.
Woodridge Lake POA, Inc.

Individual Managers

Amber Lee Fairfax, CMCA
Patrick Honan
Richard W. Johnson, CMCA
Travis Lundgren, CMCA
Nicole Rosa
Dave Schmitt
Brian Stein

Business Partners

Axos Bank

Thank You Renewing Members

Associations

71 Fountain Terrace Condominium Assn.
84 Skyview Condominium
Center Village Homeowners Association
Chippinwood Estates Condominium Assn.
Glenwood Green Homeowners
Hackmatack Hills Homeowners Assn.
Hale Farms Condominium Assn., Inc.
Haven Ridge Condominium Assn.
Heritage Cove Condominium Assn.
Lake Hills Village Condominium, Inc.
Mattabasset Condominium III
Meadow Hill, Inc.
Mill River Meadows Condominium Assns.
Mystic Run Assn., Inc.
Olde Colony Commons Assn., Inc.
O'Meara Farm
The Pines
Renaissance at Danbury
Rivermead Homeowners Assn.
Riverplace Homeowners Corporation
Southport Woods Condominium Assn.
Spring Lake Condominium # 8 Assn., Inc.
Stony Mill Condominium Assn.
Town in Country Condominium Assn., Inc.
The Village At Colchester
The Village at Oxford Greens
West Lyon Farm Condominium Assn.
Windham Oaks Homeowners Assn.

Individual Managers

Deana Barber, CMCA, AMS
Natasha Bavrlc, CMCA
Suzanne Berry, CMCA, AMS
Joseph S. Bruschetti, CMCA, AMS
Kenneth Burkamp
Edward Davis, Jr., CMCA, AMS
Robert Delavega, CMCA
Dennis DeMeglio, CMCA
Stanley DeMello, CMCA
Linda L. DeNoia, CMCA, AMS
Jeanne A. Eberhardt, CMCA, AMS
Janice Fiaschetti, CMCA
Terri Henderson, CMCA
Dennis Heske, CMCA
Pamela Hill
Travis Hyatt, CMCA
Karen Kalmbach, CMCA
Gregory Kliman, CMCA
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Georgie L Machado, CMCA
Jeffrey McDonald, Jr.
Kristin A Pettazzoni
Scott Powell, AMS
Andrew Rioux, CMCA
Melissa Selochan, CMCA, AMS
Michael Vakos, CMCA, AMS
Emily Rae Westlake, CMCA, AMS

Management Companies

AJM Real Estate Services, Inc.
Aspect Property Management
Imagineers, LLC
Jeff Louis Associates, LLC
KP Management
Merit Properties, Inc.
The Property Group of CT, Inc.
Propertyworx, LLC
ThamesHarbour Real Estate, LLC

Business Partners

Ackerly & Ward
American Integrity Restoration
American Pool
Brown Roofing Company, LLC
Comcast
Crystal Restoration Services
Dime Bank
Dryer Vent Wizard of New Haven County
Mark D. Alliod, CPA
MHA Property Loss Advisors, LLC
New Britain Roofing
New Look Painting
ReadySetLoan.com
Rosenberg & Rosenberg, P.C.
Shipman & Goodwin, LLP
The Window People, a TWP Home LLC
Company

Legislative Update

Every two years, CAI-CT must nominate 6 people to serve on the National CAI Legislative Action Committee. We are pleased to announce that our slate of delegates has been approved. We are thankful for their service to our chapter. Congratulations to:

Chas Ryan, Esq., EBP – Chair
Pilicy & Ryan, P.C.

Andrea Dunn, Esq.
Bender, Anderson & Barba, P.C.

Karl Kuegler, Jr., CMCA, AMS, PCAM
Imagineers, LLC

Dave Pilon, CIRMS
Bowvier Insurance

Mark Sperry
Fernwood Estates

Rich Wechter, CMCA – Treasurer
Westford Real Estate Management, LLC, AAMC

We owe an enormous amount of gratitude to **Scott J. Sandler, Esq., CCAL – Sandler & Hansen, LLC** for his leadership as Chair of the LAC for the past 10 years. Scott has been tirelessly dedicated to ensuring CAI-CT's voice is heard at the Capitol. He has been an assertive advocate for the issues that impact our industry. Thank you, Scott! ■



Let's shine a light on some of the terrific ways in which our communities are staying connected. We know there are some amazing examples of communities working together to achieve great things. Maybe it's a big capital improvement project that involved a lot of owner input; or a community errand program for people who are not able to go out; or neighborhood kids creating art on the sidewalks. What's been happening in your community? Tell us about it! We want to feature your good news in *Common Interest*. Please contact: kim@caict.org about putting a spotlight on your community. ■

Legally Speaking...



Adam Cohen, Esq.

Update on Community Associations' Responses to COVID-19

By Adam J. Cohen, Esq.

Connecticut's condominiums and other community associations continue to adapt to the COVID-19 pandemic, including the arrival of colder weather and the recent uptick in infection rates.

Most associations kept their pools, gyms, and other facilities closed over the summer. The closures had some critics at the time, but in hindsight, were highly prudent. Executive boards have broad powers to control amenities, and anecdotal evidence in Connecticut suggests they have used those powers thoughtfully and intelligently. It is highly likely those closures saved lives. They may have also saved money. Virtually all liability insurers have warned associations that they will not cover coronavirus-related claims. Since the legal expenses, expert witness fees, and other costs of litigating such claim (even successfully) could be astronomical, very few associations have been willing to accept the risk. Those that did adopted responsible policies for their amenities limiting the number of occupants and the frequency and duration of uses with sanitization in between. Many associations have also adopted rules requiring masks and/or social distancing in hallways and other indoor common areas.

An executive order from Governor Lamont earlier in the year 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 remains in effect, and probably will until at least February. 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. By most accounts, online meetings have been very successful in Connecticut. They are often well-attended due to the relative ease of remote participation, and the format (especially the mute function!) helps to maintain order and efficiency. On October 20, Governor Lamont extended his prior orders allowing tax district boards to conduct meetings online to also authorize district residents to participate and vote in them remotely as well. Remote meetings are expected to become even more routine as winter weather makes outdoor meetings impossible.

Previous executive orders had 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. Boards have also taken advantage of the CIOA provision which allows them to make decisions without a board meeting by two-thirds consent (or unanimous consent in many bylaws) as long as the owners are promptly notified in writing afterward.



weimei Zhou/DigitalVision Vectors/Getty Images

“Courts continue to operate, but most live hearings remain suspended and foreclosures continue to have low priority.”

Courts continue to operate, but most live hearings remain suspended and foreclosures continue to have low priority. A moratorium on most types of evictions will also stay in effect through January 1, 2021 and is likely to be extended further. There appear to have been hardly any lawsuits filed against associations accusing them of coronavirus-related wrongdoing, at least so far. Many boards have adopted policies allowing unit owners suffering income losses or health problems more time and flexibility to pay their common charges. As long as those policies are applied relatively uniformly and fairly, they are legal. The state legislature is expected to have an extremely active session beginning in early January with efforts to codify pandemic response measures, mitigate the public health and fiscal effects, and adapt a variety of statutory procedures and requirements to an online world.

Associations that are severely financially impacted by COVID-19 may be eligible to participate in the Connecticut CARES program which was recently created to assist small businesses and not-for-profit organizations get through the pandemic. An association which is otherwise eligible and suffers a 20% drop in common charge revenue from last year could apply for a one-time \$5,000 grant which need not be repaid. The Governor's earlier tax relief program, which had deferred or reduced the interest applicable to certain district tax payments, expired in October and has not been renewed.

Stay strong, Connecticut. We'll get through this together. ■

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.

Financially Speaking...



Daniel Levine, CPA

Financial Statement Basics

By Daniel Levine, MBA, CPA

Associations are formal corporations that record transactions in their books and records. From these records financial statements can be prepared which reflect the financial health of the community. While these statements are typically filled with more numbers than words, they still tell a story. Being able to understand the purpose of each statement and the story it tells is critical in the decision-making process. This article will look to give highlights into each statement in order to help with understanding and reading that document.

Balance Sheet

This statement can also be called the statement of financial position. This statement reflects a specific moment in time, not a range in time. Therefore, the balance sheet should always be labeled with a specific date. What this statement shows specifically are the associations assets, liabilities, and equity on this specific date. This statement can be a great leading indicator for the association's financial future when presented on the accrual basis.

On the accrual basis this document will show how much the association is owed (accounts receivable) and who the total the association owes (accounts payable). Should one of these numbers start to greatly increase it would either mean the association is having trouble collecting its common (and other) fees or it is delaying/having trouble paying its bills. Both are cash flow indicators which can indicate that the association may have cash troubles in the future.

This document would also show any interfund borrowings that have been occurring. A common practice in the common interest community, but these interfund borrowings can pose problems for the future. Not contributing into the long-term reserves or borrowing money from reserves without re-paying it can lead to situations where an association is unable to pay for capital projects. This in turn leads to borrowing from a financial institution or creating the need to levy a special assessment. Tracking the change in the interfund amount each time a balance sheet is presented will allow a reader to understand if borrowings are increasing, or if they have been repaid.

Income statement

As compared to the balance sheet's presentation of a single moment in time, the income statement instead reflects a range of time and activity. Most associations are familiar with this document and use it as the primary control document to help manage the association.



Yumi mini/Stock/Getty Images Plus

“As compared to the balance sheet’s presentation of a single moment in time, the income statement instead reflects a range of time and activity.”

Comparing the actual data to expected budgeted amounts can help highlight any unusual variances and help with decision making. If certain accounts are over budget, can other projects be deferred to make up the difference? If there is a profit for the year are there surplus funds that should be transferred to the reserve? Etc.

Depending again on if the association is on the cash or accrual basis this statement will present differently. Under the accrual basis this statement reflects activity based on when items are incurred and regardless if cash has been collected or dispersed. Under the cash basis this statement only reflects activity when cash is received or disbursed. Therefore, the same transaction could present in different fiscal years depending on how the statements are prepared.

It is possible to convert accrual basis numbers to the cash basis and vice versa. To change from accrual basis to cash basis the change from one balance sheet period to another must be applied to the income statement. This results in the cash basis presentation. For example, if accounts receivable increased from \$3,000 to \$4,000 from the start to the end of the period this would mean \$1,000 was billed and included as income, but the cash has yet to be received. Therefore, by taking the \$1,000 change and reducing income by that \$1,000 you would reflect the actual cash collections.

By using the income statement to obtain an understanding of year to date activity and using the balance sheet to help predict future activity, the board can better understand its financial position and forecast the future. However, with the accrual basis income statement, net income does not

necessarily translate to the increase or decrease in cash. To better understand how cash changed, we need to utilize a third statement.

Statement of Cash Flow

This statement specifically focuses on cash and the change in cash from one period to the next. It has two presentation methods, the direct and indirect method. Each method has the same three sections presented which are: cash from operations, cash from investing, and cash from financing. By reviewing this statement, the board can have better insight to how the association is gaining or losing cash.

The difference between the indirect and direct method stems from how they present the cash flow from operations section. Under the direct method, this presentation looks to recast the accrual basis income statement line items on the cash basis to show net cash provided/used in operations. The indirect method instead starts with net income and adjusts this number to convert it to the cash basis and presents with less detail vs the direct method. The direct method is an easier interpretation to understand visually but requires also presenting a reconciliation to the indirect method when used.

[Continues on page 10.]



CAI-CT's Recommended Course for All Connecticut Community Associations

CONDO, INC.

The Business of Running Your Community

Do you serve on the board of your association? Are you considering serving? Whether you are a seasoned board member, a recently elected board member or unit owner seeking to understand more about how an association runs, this course is for you!

Fabulous February Fundamentals – 3 Component WEBINAR Plus Round Table Discussion

1. FEBRUARY 6 (9:00-11:00 am): Legal - Understanding State Laws & Association Governing Documents
2. FEBRUARY 13 (9:00-11:00 am): Long-term Planning & Financial Matters
3. FEBRUARY 20 (9:00-11:00 am): Insurance & Round Table Discussion

For a limited time, we are offering Pandemic Pricing for our most popular board education program! For the low price of \$50 total, up to 10 people can attend! It's the same price for 1 or 10 attendees from the same association. WOW!

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FINANCIALLY SPEAKING...from page 9.

The three sections broken of the cash flow statements are important to understand as it provides insight to why cash has increased or decreased. Cash from operations shows how the association performed in its day to day common fees and expenses. If an association has negative cash from operations, it means that it did not collect enough in common fees to cover its day to day expenses. This can be for a variety of reasons so considering both the balance sheet and income statement activity will be key to understanding what happened operationally.

“Cash from investing activities reflects the cash movements that occurred due to an association’s investments.”

Cash from investing activities reflects the cash movements that occurred due to an association’s investments. This section reflects the purchase or sale of any stocks, bonds, or CDs as well as reflects the disposition or acquisition of any fixed assets. This section can highlight how the investments of an association have done and whether they have added to or subtracted from the association’s cash position.

Cash from financing activities reflects the borrowing and re-payments that the association does. This section details note principal payments, interfund transfers, and the change in any interfund borrowings. These items are typically not reflected in the income statement as expenses, but as they are use of cash it is important to be able



Yuni nini/Stock/Getty Images Plus

to show them for analysis purposes and financial management.

Coupling these 3 sections together can help really understand the association’s operations for the year. Did they generate cash from their operations? Is the association borrowing from an outside source? Is an association re-paying or borrowing from its other funds? The statement of cashflows can help highlight and answer these questions.

Conclusion

While learning to read the association’s statements can feel something akin to learning a new language this language is critical in decision making. From noticing trends in the association’s balance sheet, seeing specific variances occur in the income statement, to whether the association’s operations are covering their expenses, an association’s financial statements when taken together can provide a very powerful tool in course correcting, or other decision making that will need to occur. ■

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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Earthquakes, Hurricanes, Hailstorms and other Catastrophic Damage – *Parametric Insurance to the Rescue*

By Austin James, CPCU, ARM
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Parametric Insurance

Every year our country experiences catastrophic weather threats in a variety of forms. This could come from hurricanes, wildfires, hailstorms, earthquakes, and blizzards. Many of these events can cause damage that reaches into billions of dollars. There are a lot of insurance companies that protect against these catastrophic claims, however, most have high deductibles and there are a lot of exclusions. A product has arisen in the marketplace to fill the coverage gaps excluded by traditional insurance and help to pay for losses beneath the deductible. This is Parametric Insurance.

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Limits and Scope of Coverage

The limit of the policy is essentially a blanket limit for the insured that can be recouped to indemnify against any economic loss incurred as a result of the event. This can include items traditionally covered under insurance but underneath the deductible. It can also include any items not covered under the insurance policy but are still economic losses to the insured. This could include things like claims management fees from property managers, cosmetic damage to your structure, damage to outdoor property, engineering and safety certification costs, equity protection, the list is endless...

Unique Claim Resolution

One of the most attractive qualities about parametric insurance is its ability to pay rapidly and without adjustment. Typically, the insured just sends in a signed statement of loss with their economic claims identified and their check is issued within weeks after verifying that the policy trigger was met. The other really great part is that it pays out regardless of your traditional property carrier's claim determination. Your property carrier could deny a claim and a parametric policy



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“One of the most attractive qualities about parametric insurance is its ability to pay rapidly and without adjustment.”

would still pay. You could even buy only a parametric policy without traditional insurance coverage.

Minimizes the Stress of Traditional Property Insurance Adjustment

During a catastrophic event, insureds may find the claims process to be very stressful. They are joined in with thousands of other policy holders seeking payment and many times the process can drag out as adjuster resources are not infinite. Sometimes the value an insured receives from the carrier may not be what they were expecting, or they may find an exclusion of coverage they didn't fully understand before. In these scenarios, having the benefit of a parametric policy in place can be a godsend and a much-needed relief to start the rebuilding process. Over the next decade you will see more and more implementation of this type of coverage and it is worth exploring as an option at your renewal. ■

Austin James, CPCU, ARM is an expert in parametric insurance and catastrophic property placement. He is an Associate Director of the CAT and Specialty Property Division of The McGowan Companies.



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Manager's Column...



Rich Wechter, CMCA

Being Practical, Part LXVII Approaching the New Year

By Rich Wechter, CMCA

In this column, we tackle various topics of interest with the intent of imparting practical advice. This issue's column is devoted to offering helpful tips to association boards of directors and our fellow community association managers as we approach what we hope will be a better year than 2020.

A. Setting the Table on this Topic

The older one gets, the faster each new year appears to commence. Time appears to fly by during a year and by the end of the year, as property managers, we hopefully get a short breather from the events of the expiring year before tackling the challenges of a new year. Similarly, board members hope to have a breather from the governing of their respective associations before time begins to slip by again. For both property managers and board members, especially for those associations who are on a calendar fiscal year, late December affords all an opportunity to regroup, recharge one's batteries and plan for the new year. It is within this context that we offer helpful tips to both property managers and board members to prepare for the new year.

B. Helpful Tips for the New Year — TO PROPERTY MANAGERS

The following are just a few of the many things that property managers can do prior to the commencement of the new year:

1. Get some needed rest. While the winter months should, in theory, offer some respite from the pace during the spring-summer and fall seasons, Mother Nature is the great equalizer and can throw property managers into crisis mode before you can utter the dreaded word "snow".
2. Prepare for the close-out of the fiscal year (except for those associations not on a calendar fiscal year).
3. Make all P/L-G/L adjustments for the last month of the fiscal year (except for those associations not on a calendar fiscal year).
4. Gather all documents for the upcoming outside financial review (except for those associations not on a calendar fiscal year).
5. Work on the close-out of work orders for the calendar year.
6. Confirm the completion of all contract renewals/extensions for the new year.
7. Reach out to all Association vendors (including all consultants and professionals) to thank them for their service for the past year and to offer encouragement and guidance for the new year.
8. Establish reasonable and equitable expectations for outside vendors (including all consultants and professionals) for the new year.
9. Confirm completion of responses to all resident inquiries and requests.
10. Confirm receipt of all invoices for the expiring year from all vendors, utilities and other service providers.
11. Confirm payment of all outstanding invoices for the expiring year.
12. Reassess the team that manages each property you handle. This includes your own performance.
13. Establish reasonable goals for the entire management team, including yourself.
14. Confirm that all documents sent out on an annual basis have been sent out (meeting schedule, maintenance standards, winter season reminders, etc.).
15. Organize safety programs (water heater, dryer vent, chimney) for the upcoming year.
16. Review all potential/actual capital projects for the new year.



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“For both property managers and board members...late December affords all an opportunity to regroup, recharge one's batteries and plan for the new year.”

[Continues on page 16.]



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MANAGER'S COLUMN...from page 14.

17. Complete a calendar for each property available to all management team members, board members and association owners and tenants.
18. Confirm the placement of all winter aids for snow removal and treatment (salt and sand barrels, salt shakers, snow stakes, etc.).
19. Confirm the operation of all heat systems in all common areas.
20. Review the current insurance policies of the Association.
21. Obtain updates on all open insurance claims.
22. Conduct a year end physical inspection of each property you manage.

23. Review the Governing Documents for each association managed to confirm that the associations are being operated in accordance with the association Governing Documents.
24. For associations with property superintendents, meet with the superintendents to review the past year and expectations for the new year.
25. Review any reserve study in existence and discuss the creation of a reserve study to any association without such a document.

**C. Helpful Tips for the New Year —
TO ASSOCIATION BOARD OF DIRECTORS**

The following are just a few of the many things that Association Board of Directors can do prior to the commencement of the new year:

1. Confirm receipt of responses to all open work orders.
2. Confirm receipt of responses to all open administrative inquiries.
3. Confirm completion of all capital projects for the expiring year.
4. Obtain end of year reports from all standing and ad hoc committees.
5. Establish reasonable goals for both the Board and the Association for the upcoming year.
6. Encourage all committees to prepare plans for the upcoming year.
7. Walk the property prior to years end.
8. Thank all vendors and consultants and professionals for their service to the Association.
9. Prepare an end of year report to the community (this can come in many different forms).



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10. Offer thanks to the property manager and the management team for services rendered. We all need to receive thanks for what we do for others whether or not we are being paid for said services.
11. Reassess the relationship between the Board and its individual members with the property manager and the property management team.
12. Thank all committee members for the services rendered during the year.
13. Review and supplement, where and when necessary, the Association calendar for the upcoming year.
14. Review the past year's board meetings and assess their efficiency with an eye toward improving these meetings.
15. Encourage community social events to foster neighborhood and community cohesion.

D. Conclusion

The end of a calendar year and the commencement of a new year offers both property managers and board members an opportunity to successfully conclude the expiring year and properly prepare for the new year. We hope that this article will aid property managers and association board members in this effort. ■

Rich Wechter, CMCA is Senior Vice President at Westford Real Estate Management, LLC and serves as a on the CAI-CT Chapter LAC.

ENVIRONMENTAL TIP: Indoor Air and COVID-19



bombermoon/Stock/Getty Images Plus

The proper use of air cleaners and HVAC filters can help reduce airborne contaminants including viruses in a building or small space. By itself, air cleaning or filtration is not enough protection from exposure to the virus that causes COVID-19. Used as an additional tool along with other best practices recommended by the CDC and health experts, filtration can be part of a plan to reduce the potential for airborne transmission of COVID-19 indoors.

Source: US EPA

For more information, go to: <https://www.epa.gov/coronavirus/air-cleaners-hvac-filters-and-coronavirus-covid-19>

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Jonathan Chappell, Esq.

Ring, Ring: What Can an Association Do About Doorbell Cameras?

By Jonathan Chappell, Esq.

The installation of security cameras by the association has been an issue for some time. Now, the issue may be installations by owners, and specifically addressed here, the installation of doorbell cameras. Association boards have somewhat frequently asked for guidance on what if anything an association can do to regulate or prohibit doorbell cameras.

This article is intended to just provide general guidance. Your community should contact its counsel prior to making any decision about an owner's installation of security cameras.

Does the installation require board approval?

This is the first question. In nearly every community the board has broad power to regulate conduct within the common elements. The default rule in most association documents and CIOA or other applicable statute makes everything outside of a unit part of the common elements. If the proposed location of the camera is within the common elements, the board is in its strongest position to regulate or prohibit. Other communities (e.g. planned communities) may not be proposing installation of the camera within the common elements, but the board's approval may still be required to alter the exterior of homes.

If your board has the authority, the board should decide if it wants to simply prohibit owner installations. It may cite to factors to support the prohibition including damages to the building, disruption of the community (cameras are pointing right at the neighbor's bedroom window), etc. In any event, it seems best to consider the adoption of a rule to allow owners to give their comments.

Alternatively, the board may try to balance its power with the owner's wish for additional safety. Depending on the location or past incident (e.g. thefts), the community may benefit from more security; an owner's installation may be proper, and the expense would be the owner's. The board should still adopt a rule about allowable location(s), require installation by an appropriately licensed and insured contractor, and require additional, appropriate measures.

If an owner installs a camera inside the unit boundaries, the board may not have the power to stop it or have it removed. Perhaps if the existence of the camera creates a real disruption in the community, including the discussion below of the invasion of privacy.

Video Versus Audio Monitoring:

Whether the association must approve a camera or not does not end the inquiry. There are potential consequences for both video and audio surveillance.

Video: Does the Neighbor have an "Expectation of Privacy?"

A camera that captures just video can still lead to disputes between



"A camera that captures just video can still lead to disputes between neighbors."

neighbors. The issue becomes whether the complainant (the neighbor of the home where the camera was installed) has a "reasonable expectation of privacy" where the camera is directed.¹ Describing this very simply, a continuum can be created where there generally is the strongest expectation of privacy within the home (especially places that cannot be seen from the outside), and there is less protection as you move to locations outside the home, especially if the location can be seen by those in public places.

If there is a reasonable expectation, then the neighbor may have a tort claim against the individual who installed the camera.² However, especially if the board approved or was even just aware of the camera, the association may be dragged into the dispute. This determination can be very complex and requires a case-by-case analysis.

To give some guidance, consider the example where one owner installs a camera, and the device can monitor the entryway the installer seeks to correct, but also views across the street to and captures the neighbor's driveway and front porch. Without more, the neighbor probably does not have an expectation of privacy to avoid video surveillance of the exterior of the home, either the driveway or front porch. If the location recorded can be seen by anyone walking by the home, it is very unlikely the neighbor can have a viable claim for invasion of privacy. However, change the facts so the camera is directed at a bedroom or bathroom and the conclusion is likely different.³

Audio Surveillance: Wiretapping?

Doorbell cameras might also be able to monitor and record audio. You have likely seen the commercials where the owner is at work on

[Continues on page 20.]



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RING...from page 18.

their phone using an application to see and speak to thieves on the porch. While this technology may certainly provide an added deterrent to criminals, audio recording raises an additional issue.

Connecticut is a “two-way consent” state. This means that to record a conversation, all parties to the conversation or meeting must be given notice before recording starts. See, Conn. Gen. Stat. Ann. § 52-570d.⁴ While the audio here may not be critical (e.g. the owner talking to the pizza delivery person or a neighbor), the use of the audio monitoring could violate the Connecticut penal code, Conn. Gen. Stat. Ann. § 53a-189 and/or potentially risk the exclusion of the video or recording in a criminal prosecution.

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In conclusion, installation of cameras, including doorbell cameras causes concerns for an association. Before a board approves an owner installation of a camera, the board should contact association’s attorney to discuss the circumstances and receive guidance. Prior to this becoming a pending dispute, it may be prudent to adopt rules to address installation of cameras by owners. ■

Jonathan Chappell, Esq. is an attorney in the law firm of Feldman, Perlstein & Greene, P.C. based in Farmington, CT. Jonathan serves on our Legislative Advocacy Committee.

END NOTES:

- 1 See, *State v. Kono*, 324 Conn. 80, 90–91, 152 A.3d 1, 9 (2016) (the Connecticut Supreme Court found that the occupant of a condominium unit did *not* have a legitimate expectation of privacy protecting him from a police drug sniffing dog that sniffed from a common hallway and detected drugs inside the unit).
- 2 See, *Goodrich v. Waterbury Republican-Am., Inc.*, 188 Conn. 107, 127–28, 448 A.2d 1317, 1328–29 (1982) (“In recognizing this cause of action for invasion of privacy ... the law of privacy has not developed as a single tort, but as a complex of “four distinct kinds of invasion of four different interests of the plaintiff, which are tied together by the common name, but otherwise have almost nothing in common except that each represents an interference with the right of the plaintiff ‘to be let alone. The four categories of invasion of privacy are . . . (a) unreasonable intrusion upon the seclusion of another; (b) appropriation of the other’s name or likeness; (c) unreasonable publicity given to the other’s private life; or (d) publicity that unreasonably places the other in a false light before the public.”
3. If cameras can be installed outside of units, the board may consider including that the association must be shown the view captured by the camera.
- 4 Section 52-570d in most relevant part states: “(a) No person shall use any instrument, device or equipment to record an oral private telephonic communication unless the use of such instrument, device or equipment (1) is preceded by consent of all parties to the communication and such prior consent either is obtained in writing or is part of, and obtained at the start of, the recording, or (2) is preceded by verbal notification which is recorded at the beginning and is part of the communication by the recording part” This also allows an association to make an audio recording of its meeting, but the person recording should announce this at the beginning of the meeting.



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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.

Contract Contingencies (Assigning The Unknown)

By Timothy Wentzell, P.E.

After staring at this title for awhile, I realized that this article would likely have a difficult time living up to the title as the subject matter is unrelated to science fiction. The major projects that a condominium association undertakes typically have numerous unknowns or contingencies. This article is about who carries or ultimately pays for these unknowns when and if they occur. This can probably best be explained by a few examples.

For instance, an association decides to convert their wood siding to a synthetic material such as vinyl. When the specifications are written for a project like this, there typically is some concern with whether or not the underlying structure may have areas that are deteriorated. Often this is why the project is being undertaken. I have seen specifications that simply address this concern with a statement that if the underlying wood is unsuitable, it should be replaced as part of the project. In this case, the risk for this unknown is placed on the contractor.

Another example might be an excavation project undertaken in order to resolve a drainage issue. In a project such as this, there would always be the potential for ledge to be encountered. What often happens is that no mention of this scenario is made whatsoever, and when it does occur, the association and the contractor are left to fight about it.

A paving project may also be another good example where in many cases a new pavement is going to be placed on top of the existing pavement (usually called an overlay), and there are typically areas that are in poor enough condition where this would not yield good results. Generally what happens in this case is that these areas are cut out, patched, and then the repaving is done. Some contracts that I have seen simply state that this cutting and patching should occur where needed. Others have a per-square-foot price for this with the contractor making the determination of where repairs should be done.

In another scenario where an association may be electing to paint the siding and trim on their buildings, the issue of rotted wood is very pertinent and critical to the success of the project. If there are significant areas of rot, the new paint likely would either not adhere or simply not provide any mechanism for stopping the deterioration of the wood. Contract provisions such as “replace as needed” once again can result in the scenario where it is questionable how and who enforces these terms. Of course, in the opposite scenario where no



gustavofrazaor/istock/Getty Images Plus

mention is made other than “wood would be paid as an extra,” there is a concern that excess amounts of replacement could occur, especially if a price is not predetermined and reasonable to both parties.

So, it comes down to the how and who accepts these contract contingencies, how these decisions are to be made and in what manner.

If the customer wants to bear these risks but still maintain some control over them, one of the best ways to anticipate and control this process is to get unit pricing for these possible contingencies. For example, in some of the cases cited earlier such as the siding project, a square-foot price could be agreed upon for replacement of plywood in the areas to be jointly agreed upon by the contractor and the association. If the sills are rotted, the linear price for this could be included with a similar proviso. In the excavation project, a unit price could be agreed upon for removal of small amounts of ledge or possible changes in elevation allowed if extensive ledge is encountered. In the paving example, the areas to be cut and patched could either be marked ahead of time before the project is put out for bid or a requested price could be put into the bid specifications and then the areas could be marked, measured, and agreed upon before the project starts. In the painting scenario, sometimes rotted wood may not be noticed ahead of time because typically it may not be observable, for example, from the ground, but similarly a per-unit price (for example, a per-foot cost for trim, siding, etc.) could be requested as part of the bid package and these rotted areas then agreed upon later. In all of these scenarios, the

[Continues on page 26.]



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TECHNICAL EXPLANATIONS...from page 22.

customer accepts the cost of unknown repairs and has some control over them.

In the scenario where a contractor is accepting this responsibility, acceptance standards would need to be determined. For example, perhaps a probe test would be undertaken to determine the level of wood rot, but of course it still comes down to who conducts the test and who ultimately is the arbitrator of the acceptance standards, but certainly many contracts are written this way. In the paving scenario, for example, a certain amount of cracking or settlement could trigger the need to cut and patch. In the case where the association elects to have the contractor accept these risks, they need to understand how and by whom these decisions will be made as invariably this will come up during major projects.

There are so many unknowns in major projects that it is difficult to cover all of the kinds of possible contingencies just as performance standards are often difficult to measure as well. But certainly, by anticipating what possible contingencies may apply to a project, a better decision can be made with regard to who accepts the risk.

One last thought to consider, and I believe it is fairly pertinent, when the contractor is asked to accept the cost of remediating unexpected events, the association almost always pays for this as the contractor invariably will feel the need to build this cost into their contract price. When the association keeps the responsibility for these contingencies, more likely they will only pay for them when they actually occur. ■

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

Natural Gas Electric Generators Sought for the Condo

A.P. from Fairfield County, Connecticut writes:

Dear Mister Condo,

After a recent tropical storm, the condo complex was left without power for over 5 days. Many of the owners have inquired about installing natural gas generators as each unit has its own natural gas line. Where can I find guidance on what is allowed when it comes to energy source alternatives in Fairfield County, CT. Thank you.

Mister Condo replies:

A.P., the condo association itself would set the rules about the use of generators. Generac and similar companies and their contractors would let you know about the viability and local code regarding such an installation. My primary concern would be where would you place these generators? Most condos don’t have a lot of space for such large equipment. My

second concern would be safety and liability for the association residents and guests. In addition to electric shock concerns, there is the possibility of injury that the association insurance may not cover. You will definitely want to speak with your insurance underwriter before taking on such a project. You should also speak with your association attorney to see how your governing documents would have to be modified if this plan were to progress. I am guessing you would need to allocate common area to individual unit owners and also liability and maintenance in perpetuity (not as easy as it sounds) to current and future owners. Honestly, I would be quite surprised if you were able to pull this off. Yes, it was difficult to get through 5 days without power. However, the units were built and sold as is and there really shouldn’t be any expectation that power generators be allowed in the association. That just isn’t a common or typical amenity at condominiums that are rarely left without power because of a tropical storm. All the best!

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