

Common Interest

The Official Publication of CAI-Connecticut

Vol. XVIII: Issue 1 • 2023

Inside:

2023 CAI-CT CONFERENCE & EXPO

**Registration and
Information**

**The Basics of Condominium
BORROWING**

**FASB ASC 842:
LEASE ACCOUNTING**

MANAGER'S COLUMN
Winter Plans and Summer
Execution of Projects

**NEIGHBORS NOT
BEING NEIGHBORLY:**
What Do We Do?

...and more!


CONNECTICUT CHAPTER
community
ASSOCIATIONS INSTITUTE

**BUILDING
BLOCKS**

**TO A BETTER
COMMUNITY**


CONDO/HOA
2023
CONFERENCE & EXPO



PLATINUM SHOW SPONSOR:



THE MILFORD BANK Condo Association Loan Program



We offer interest rates that are among the lowest in the industry, with flexible terms and personal attention. Let us assist your community by financing all of your capital repair projects:

Roofing

Siding

Paving & Drainage

Painting

Windows



THE MILFORD BANK
Always There.

MEET OUR LENDERS



Paul Portnoy
Vice President
Commercial Lending
203-783-5749
PPortnoy@milfordbank.com



Mark Gruttadauria
Vice President
Business Development
203-783-5725
MGruttadauria@milfordbank.com

Call or email us today!

- Frank Pingelski, EBP *Tooher-Ferraris Insurance Group*
PRESIDENT Wilton, CT
- Chas Ryan, Esq., EBP *Pilicy Ryan & Ward, P.C.*
PRESIDENT-ELECT Watertown, CT
- Gregory McCracken, Esq., EBP..... *Jacobs, Walker, Rice & Barry, LLC*
SECRETARY Manchester, CT
- Christine Carlisle, CPA..... *Carney, Roy & Gerrol, P.C.*
TREASURER Rocky Hill, CT
- Jim Carroll *JP Carroll Construction, Inc.*
 West Hartford, CT
- Wendy Colleary, EBP *Windsor Federal Savings*
 Windsor, CT
- Lynn Jackson, CMCA, AMS, PCAM..... *Felner Corporation*
 Fairfield, CT
- Karl Kuegler, Jr., CMCA, AMS, PCAM..... *Imagineers, LLC*
 Hartford, CT
- Dan Levine, MBA, CPA *Tomasetti, Kulas & Co., P.C.*
 Hartford, CT
- Carrie Mott, EBP *Bowvier Insurance*
 West Hartford, CT
- Nally Sahin *Jefferson Woods Community, Inc.*
 Branford, CT
- Ben Whittemore, CMCA.. *Pro-Klean Cleaning & Restoration, Inc.,*
 North Haven

Committee Chairpersons

- | | | |
|----------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|
| CAI Board Leader
Development Program
William Ward, Esq. | Fall Fun
Lisa Ciotti | Membership
Wendy Colleary, EBP |
| CEO Managers Council
Gary Knauf, CMCA | Golf Tournament
Carrie Mott, EBP | Next Gen.
Melissa Selochan,
CMCA, AMS |
| Conference & Expo
Karl Kuegler, Jr., CMCA,
AMS, PCAM | Lawyers' Council
Ronald Barba, Esq. | Spring Fling
Carrie Mott, EBP |
| Education Program
Donna Rathbun, CMCA | Legal Symposium
Scott J. Sandler, Esq., CCAL | Summer Sizzler
Christ Hansen, Esq. |
| Fairfield County Knowledge & Networking
Lynn Jackson, CMCA,
AMS, PCAM | Legislative Action
Chas Ryan, Esq., EBP | |
| | Marketing
Sam Tomasetti, CPA | |

Staff

- | | |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Kim McClain
<i>Chapter Executive Director</i>
kim@caict.org | Ellen Felix
<i>Director Program Operations</i>
ellen@caict.org |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------|

Who Is CAI?

The Connecticut Chapter is one of 64 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 over 240 property managers, over 150 businesses, and over 800 community association volunteers representing over 80,000 homeowners.



The materials contained in this publication are designed to provide accurate, timely and authoritative information with regard to the subject matter covered. The opinions reflected herein are the opinion of the author and not necessarily that of CAI. Acceptance of an advertisement in *Common Interest* does not constitute approval or endorsement of the product or service by CAI. CAI-Connecticut reserves the right to reject or edit any advertisements, articles, or items appearing in this publication.



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



Frank Pingelski, EBP

"I'm a firm believer that the greatest benefit of CAI-CT is education and sharing knowledge."

Last year began with a lot of uncertainty, but the hope was that we were approaching the light at the end of the tunnel. Thankfully, over the course of the year, many temporary adjustments were laid to rest and many things settled back down. While 2023 will have its own unique and significant challenges, I look forward to addressing them in a more stable environment and ensuring that everyone within the community has a safe and sustainable place to live.

I'm a firm believer that the greatest benefit of CAI-CT is education and sharing knowledge. We are excited about building on the successful return of our Annual Conference & Expo which is coming up on March 18th! There are many new topics for discussion and many new supporters who will be in attendance. This remains one of my favorite events of the year.

Everyone's support and membership remain critical. Increased participation results in new topics being brought forward to discuss and fresh ideas on how to address upcoming challenges. It also gives our Legislative Action Committee a stronger voice at the state's capital. The Committee has been active and successful in helping shape proposed legislation so that it enhances communities instead of becoming a burden.

I look forward to seeing everyone. There are a lot of great things happening and a lot of work to be done! ■

NEW! SIGN UP YOUR ENTIRE HOA OR CONDO BOARD FOR ONLY \$250!

5 Reasons to Join CAI

- Education & Training.** Learn how to be a great HOA board leader.
- Resources.** Access FREE homeowner guides & publications.
- Advocacy.** Stay current on latest state & federal laws.
- Networking.** Connect with HOA leaders locally and worldwide.
- Member Benefits.** Answer your HOA questions 24/7 with the CAI Exchange online community.

Let us help you uncover the benefits of community association living. Become a CAI member too!

Sign up today at www.caionline.org/5Reasons or call (888) 224-4321.

community ASSOCIATIONS INSTITUTE

CONTENTS

- 3 President's Message
- 4 CED Message
- 4 People in the News
- 5 Upcoming Events
- 5 Statutory Snippet
- 6 2023 CAI-CT Board of Directors
- 7 Conference Committee Chair Message
- 8 New & Renewing Members
- 10 Legally Speaking

CAI-CT CONFERENCE & EXPO

- 12 Conference & Expo Info
- 13 Sponsors
- 13 Exhibitors
- 14 Schedule & Education Sessions
- 16 Registration & Board Resolution

- 18 Financially Speaking
- 22 Manager's Column
- 23 Environmental Tip
- 24 Neighbors Not Being Neighborly: What Do We Do?
- 28 Ask Mr. Condo
- 29 Classified Advertising
- 31 Index of Display Advertisers

Common Interest Publication Committee

Sam Tomasetti, CPA *Chair*
Tomasetti, Kulas & Co.

Reggie Babcock
Westford Real Estate Management, LLC

Adam J. Cohen, Esq.
Pullman & Comley, LLC

Jonathan Chappell, Esq.
Feldman, Perlstein & Greene, LLC

Tim Wentzell, P.E.
Connecticut Property Engineering



Common Interest is published by the Connecticut Chapter of the Community Associations Institute. All articles and paid advertising represent the opinions of authors and advertisers and not necessarily the opinion of either *Common Interest*, the official publication of CAI Connecticut or Community Associations Institute. This publication is issued with the understanding that the publisher is not engaged in rendering financial, legal, accounting or other professional services, and the information contained within should not be construed as a recommendation for any course of action regarding financial, legal, accounting or other professional service by CAI, the Connecticut Chapter, *Common Interest* or advertisers. If legal service or other expert assistance is required, the services of a competent professional should be sought. The entire contents of *Common Interest* is protected by copyright. Reproduction in whole or in part without written permission is expressly prohibited.

From the Chapter Executive Director

**“We are prepared for insults,
but compliments leave us baffled.”**

~ Mason Cooley



Kim McClain

Courtesy CAI-CT

While scrolling for inspiration, I came upon an article which discussed the importance of compliments. One of the excerpts from the article states:

Complaining is a national epidemic. In our rights-based, narcissistic culture, far too many grown adults and children expect every activity, event, or gathering to center around their desires and tastes. We are quick to complain and very slow to compliment. This not only wreaks havoc on our own souls, but it discourages others who are serving us and the community.

This struck a chord. We get those complaining type calls too. Often a unit owner is complaining about something a board did or did not do correctly in the opinion of the caller. Or a board member calls to describe their many frustrations with unit owners who don't seem to appreciate all the positives of the board's volunteer labor. And on it goes.

I recall learning at an education program several years ago that we typically get 10 complaints for every compliment. Those are seriously bad numbers!

Board leaders and association managers are a prime target for the complainers. Those complaints typically serve to discourage. But maybe there may be a way to slightly turn the table on the complainers. As challenging as it may be, finding ways to lead the way in the compliment arena may not be a solution to tamping down all of the problem seeking complainers, but it might make you have a better approach to managing all of that negative energy. So, maybe flipping that ratio to be 10 compliments to every complaint might be worth the experiment to see how those in your community react.

So here is a challenge to us all for 2023. Can we try to offer compliments in a higher proportion to complaints? Keep me posted. I am curious to know if this approach makes a difference in either shutting down the complainers and/or at least making you feel better for trying to manage them with kindness.

On the topic of being kind... Wouldn't it be kind of your association to support their board members attendance at our 25th Annual Conference & Expo? A day of learning new techniques, being validated for what is going well and sharing laughs with peers will hopefully be a great way to recharge those condo board member batteries.

Looking forward to seeing you soon! ■

People in the News...

Ackerly & Ward of Stamford, CT has merged with Pilicy & Ryan, P.C. of Watertown, CT to form Pilicy Ryan & Ward, P.C. The firm will serve clients from both their Watertown and Stamford offices. With more than 100 years of combined experience, Pilicy Ryan & Ward, looks forward to continuing to provide legal services to Common Interest Communities throughout Connecticut. ■



Share Your News With Us!

Email your industry-related news to kim@caict.org.



25th Annual CAI-CT Annual Conference & Expo

Saturday, March 18th • 8:30 am - 2:30 pm
Aqua Turf, Plantsville, CT

Session Topics Include: Secrets of Effective Board Meetings; Reserve Studies & Monthly Fees; Delivering Difficult News; Implementing Capital Plans; Dealing with Conflict; Legal & Insurance Panel & Lunch with an Expert.

Board Members & Managers: \$35 CAI Members / \$55 Non-Members
Service Providers: \$100 CAI Members / \$150 Non-Members
Lunch with an Expert: Additional fee of \$32

CAI-CT has been providing learning, laughter and business connections at our Annual Conference & Expo for a quarter of a century! Wow! Plan to join us for what is sure to be a great day!

CEO CAM Council

Hosted on ZOOM

Tuesday, April 18th • 1:00 - 2:00 pm

Qualifications to attend: you must be an individual member or the designated chief executive officer or equivalent of a management company holding a CAI membership. No more than two individuals employed by the same company may participate on the Community Association Managers Council at the same time. Pre-registration is required.

Spring Fling Knowledge & Networking Party

Wednesday, April 26th

Education 3:00 - 5:00 pm / Networking 5:00 - 7:00 pm

NEW LOCATION— We're heading West!

Charter Oak Brewery & Tap Room, Danbury, CT

Whiskey Tango Foxtrot — Simple Steps to Avoid Costly Consequences

Delve into how insurance claims work, hold backs, valuations; appraisals & arbitration as well as legal notice & hearing & bill backs. Lots to unpack!

Board Members & Managers: \$30 CAI Members / \$55 Non-Members
Service Providers: \$100 CAI Members / \$125 Non-Members

Sponsorships Available. Please visit www.caict.org for more information.



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




Statutory Snippet...

Is your Association in Compliance with the Annual Recording Law
Don't miss the January 31st deadline!

According to the Connecticut General Statutes Sec. 47-270(e), every association is required, by law, to formally file information with the town clerk of their town. The statute reads as follows:

The association shall, during the month of January of each year, file in the office of the town clerk of the municipality or municipalities where such common interest community is located a certificate setting forth the name and mailing address of the officer of the association or the managing agent from whom a resale certificate may be requested, and shall, thereafter, file a certificate within thirty days of any change in the name or address of such officer or agent. The town clerk shall keep such certificates on file in his/her office and make it available for inspection.


Be certain your association contact information is up-to-date. ■



Share your news and expertise!

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.

Please call (860) 633-5692 or E-mail: kim@caict.org for more information.



2023 CAI-CT BOARD OF DIRECTORS



Frank Pingelski, EBP
President

Frank Pingelski, EBP — President

Frank Pingelski is the Vice President of Community Associations at Tooher-Ferraris Insurance Group. Frank has over nineteen years of experience in risk management implementation as a program manager and as an infantry officer in the US Army. He currently serves on the CAI-CT Annual Conference Committee, Golf Committee and is a Director for the Connecticut Young Insurance Professionals.

Charles (“Chas”) Ryan, Esq., EBP — President Elect

Chas Ryan, Esq., EBP is a partner at Pilicy Ryan & Ward, PC. The firm represents condominiums, planned communities and cooperatives throughout Connecticut. Attorney Ryan is on the CAI-CT Lawyers Council, Conference Committee and Education Program Committee. He also currently serves as Chair of our Legislative Advocacy Committee.

Gregory W. McCracken, Esq., EBP — Secretary

Gregory W. McCracken, Esq., EBP is a partner at Jacobs, Walker, Rice & Barry, LLC. His practice emphasizes common interest community law and land use, planning, and zoning law. He represents community associations and developers, and he advises property owners and other lawyers. He was admitted to the California Bar in 1993 and the Connecticut Bar in 2001. He is a member of the Executive Committee of the Real Property Section of the Connecticut Bar Association (CBA), the Planning and Zoning Section of the CBA, and the Developers Forum of the Connecticut Home Builders and Remodelers Association (HBRA-CT). He represented the HBRA-CT when he served on the Connecticut Law Revision Commission Study Committee, which adapted the 2008 revisions of the Uniform Common Interest Ownership Act for adoption in Connecticut, and he is a co-author the Connecticut Common Interest Ownership Manual (2nd Ed.), published by the CBA. Greg is a frequent speaker for Connecticut Chapter of CAI, and he has given presentations on the Common Interest Ownership Act for CBA and HBRA-CT.

Christine Carlisle, CPA — Treasurer

Christine Carlisle, CPA is an audit staff member at Carney, Roy and Gerrol, P.C. She has over twenty years experience in the condominium industry. She works for a firm which provides audits, reviews and tax services to many of our Connecticut associations. Christine is a member of the Connecticut Society of Certified Public Accountants and American Institute of Certified Public Accountants.

Board Members:

Jim Carroll is President and Owner of JP Carroll Construction, Inc. in West Hartford. For over thirty years, Jim has worked with many Community Associations, advising Boards and Property Managers regarding roof replacements and maintenance. He has enjoyed active participation with CAI-CT over the past nine years.

Wendy Colleary, EBP is a Vice President in Commercial Lending Business Development at Windsor Federal Savings. Wendy has spent her banking career in credit analysis and commercial lending and now specializes exclusively in lending to condominium associations throughout Connecticut, Massachusetts, and Rhode Island. She has been an active member of CAI-CT for many years and currently serves as chair of the Membership Committee.

Lynn Jackson, CMCA, AMS, PCAM has been an active condo association Board Member and Property Manager for more than 20 years. She has been a member of the Paradise Committee since 2017, and became Committee Chair in 2021. Lynn has been a speaker at the many CAI-CT events, and won the CAI-CT Rising Star Award in 2017.

Karl Kuegler, Jr., CMCA, AMS, PCAM Karl has been a member of the community association management staff at Imagineers, LLC for over 25 years serving the last sixteen years as its Director of Community Association Management. Karl has served CAI-CT in several capacities including his current roles as chair of the Conference & Expo Committee, Vice Chair of the Legislative Action Committee and committee member for the Legal Symposium Committee. He was the recipient of the CAI-CT 2016 Community Association Executive Award.

Dan Levine, MBA, CPA is managing partner at Tomasetti, Kulas & Company. Having almost a decade of experience working with condominium associations both small and large, Dan has performed audit, review, and compilation engagements as well as tax preparation and consulting work for a variety of associations, closely held businesses, and individuals across Connecticut. Within CAI-CT, Dan is a frequent contributor of accounting themed articles, educator, and serves on the Legislative Advocacy Committee. Outside CAI-CT, Dan has served as president of the Hartford County Chapter of APICS promoting operations management education to Connecticut's manufacturing sector and is an active member of the Connecticut Society of CPAs, the American Institute of CPAs, and the Hartford Chapter of the Institute of Management Accountants.

Carrie Mott, EBP, is a Senior Insurance Advisor with Bouvier Insurance with over 25 years insurance experience insuring community associations. Carrie has extensive experience working with community associations and is an active member of CAI-CT. She is the current chair of the Golf Committee and serves on the Conference & Expo Committee and Education Program Committee. Carrie is also a frequent speaker at CAI-CT events.

Nally Sahin is the Board President of Jefferson Woods Community, Inc., a 285 unit property in Branford, CT. She began serving the Association in 2004 on various committees and is now serving as President for the second time. Nally has been a member of CAI-CT since 2017 and has attended a number of CAI-CT events over the years. In her professional career, she also serves as a Health and Physical Education Teacher K-12 in New Haven, CT. She has coached a variety of high school varsity sports for the past 25 years. Nally is no stranger to serving on Boards and committees. She is a current Member-at-Large for the Society of Health and Physical Education America (SHAPE America), Vice-President Elect of Health Education of the Eastern Seaboard of National Academy of Health and Physical Literacy (NAHPL). Nally also serves with the Connecticut Health Cadre. Nally is currently seeking her fourth degree in Educational Leadership from Southern Connecticut State University in the pursuit of becoming a future Administrator in Health or Athletics.

Ben Whittemore, CMCA is a business development representative at Pro-Klean Cleaning & Restoration Services, Inc. Prior to Pro-Klean, he managed a portfolio of properties with a Connecticut property management company. He provides a unique approach and understanding to the restoration industry by utilizing his past experiences to bridge the gap between unit owners, the association, and management. He currently serves on the CAI-CT Conference Committee, Golf Committee, and Fall Fun Committee.



Lynn Jackson,
CMCA, AMS, PCAM



Karl Kuegler, Jr.,
CMCA, AMS, PCAM



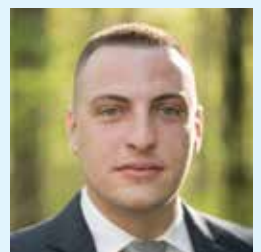
Dan Levine, MBA, CPA



Carrie Mott, EBP



Nally Sahin



Ben Whittemore, CMCA



Charles (Chas) Ryan, Esq., EBP
President-Elect



Gregory W. McCracken,
Esq., EBP
Secretary



Christine Carlisle, CPA
Treasurer



Jim Carroll



Wendy Colleary, EBP



**Karl Kuegler, Jr.,
CMCA, AMS, PCAM**

Conference Committee Chair Message

By Karl Kuegler, Jr., CMCA, AMS, PCAM

As a child, one of my favorite toys was a set of wooden blocks. The countless hours of cobbling together mini structures fostered my early creative interests. The wooden blocks were eventually replaced with Lego blocks. What a game changer! While the Legos provided endless new possibilities, the greatest improvement was that we now had blocks that evolved into creations with locking building components that weren't prone to collapse like a row of dominos. I have witnessed a similar evolution during my 30 plus years of community association management. Together we have learned from our mistakes, refined methods, adjusted to changing times and addressed the needs of aging infrastructures and residents. The result is a vastly improved set of best practices and a broader, more well thought out base of knowledge. Whether a board member, a community manager, or a business partner, each one of us needs to constantly evolve to remain effective in our role of serving communities.

The CAI-CT 25th Annual Conference & Expo, which is being held on March 18th at the Aqua Turf, provides the perfect opportunity for the continued expansion of our knowledge and sharing of ideas. Presidents of communities will start the day with a presentation diving into the secrets of running efficient and effective board meetings. Every president trying to attract and keep quality board members won't want to miss this breakfast session. One room away, our community association managers will be looking into best practices for professionalism, managing exposure and setting appropriate boundaries.

We are very excited about the awesome collection of vendors and industry professionals represented on the ever-popular expo floor. This is a great opportunity to catchup in person with current service providers, to explore potential options for future relationships and to bounce questions off the vast collection of industry professionals.

The selection of educational sessions available will help each of us build upon and expand our knowledge of serving communities. The



"We are very excited about the awesome collection of vendors and industry professionals represented on the ever-popular expo floor."

sessions address timely and valuable topics including adequate funding, being the messenger of unpopular news, and dodging egos in the operation of your association. A panel of legal and insurance professionals will field questions during a lively exchange of opinions in the Legal / Insurance Q&A session. Looking for smaller more pointed group discussions? Consider taking part in one of the Lunch with the Expert sessions; you will be able to select from a wide variety of topics lead by industry experts.

On behalf of our committee, I offer our sincere thanks to all of our conference sponsors and participants. Through their generosity this event is possible. Our committee owes a debt of gratitude to Kim and Ellen for keeping us on track and making sure every possible detail necessary is taken care of. They do so each year with such grace and perceived calmness.

From our conference regulars to those attending for the first time, we can't wait to see you on March 18th. Don't forget to invite and encourage new board members and professionals to attend - what a great way to ease their transition into the world of common interest communities in Connecticut. ■

CAI-CT CONFERENCE & EXPO

Saturday, March 18, 2023

**Aqua Turf, Plantsville, CT
8:30 am - 2:00 pm**



Details and registration information on pages 12-16 of this issue!

THANK YOU NEW & RENEWING MEMBERS

Welcome New Members

Associations

EastGate Condominium Association, Inc.
Pine Lake Commons Condominium Association, Inc.
Southwick of Cheshire Condominium Association, Inc.
Village at Paugnut Forest

Individual Managers

Ashley Harr
Marsha Anne Lowe

Business Partners

24 Restore
Capital One
DoodyCalls

Thank You Renewing Members

Associations

Applegate Homeowners Association
Balbrae Condominium Association, Inc.
Bouvier Insurance
Canaan Close Association
Glenwood Place Condominium Association
Oceanview of Lordship
Oyster River Landing Association, Inc.
Southbrook
Southridge Condominium Association, Inc.
St. John's Common
Twin Lakes Condominium Unit Owners Association
Windermere West Owners' Association
Woodfield Village

Individual Managers

Russell Antonacci, AMS
Anthony R. Benedetto
Jill Brennan, CMCA
Barry Cyr, CMCA
Richard W. Johnson, CMCA
Shannon Kennedy, CMCA
Christopher Kohnle, CMCA
Cathleen Miller, CMCA
Jo Titsworth, CMCA

Management Companies

Elite Property Management, LLC

Business Partners

American Integrity Restoration
CIT, A Division of First Citizens Bank
Community Financials
Crystal Restoration Services
Ian H. Graham Insurance
John M. Glover Agency
M & S Paving and Sealing, Inc.
ServPro of Norwalk
Zeldes, Needle & Cooper, P.C.

Saturday, March 18, 2023

Aqua Turf, Plantsville, CT



TO A BETTER COMMUNITY



RESERVE YOUR BOOTH TODAY!

More information can be found at:

www.caict.org

Community Association Lending

- Serving all of New England
- Fully amortized loans 20 plus years and long term fixed rates
- 100% project financing
- Pioneer in long-term financing
- Association lending combined experience over 25 years
- Helping transform associations



Contact Us!

Howard Himmel, SVP
 Community Association Lending
 978-567-3630
 h.himmel@avidiabank.com

Lisa Allegro, VP
 Community Association Lending
 774-760-1228
 l.allegro@avidiabank.com

Honest to goodness™  **Avidia Bank**

Member FDIC |  Member DIF | NMLS# 422902 | avidiabank.com



YOUR CONDOMINIUM REMODELING SPECIALISTS

CALL FOR YOUR FREE QUOTE
860.632.0050



HIC# 0641570

ROOFING & SIDING
 GUTTERS | WINDOWS | DOORS | DECKS

LEADINGEDGEEXTERIORSLLC.COM



Legally Speaking...



Adam Cohen, Esq.

The Basics of Condominium Borrowing

By Adam J. Cohen, Esq.

Connecticut's condominiums are not getting any younger. The legacy of aggressive condominium development in the 1980s is, today, decades-old infrastructure which needs major repair and restoration. As these communities are coming to learn, financing capital improvement projects is not always easy. Association loans do not work like home mortgages, and navigating the prerequisites can be daunting. Along with increased demand and defaults across the nation has come tighter bank scrutiny and governmental regulation. Boards which anticipate needing loans for capital improvement projects must familiarize themselves with the basics of condominium borrowing.

The association of a condominium, cooperative, or planned community has the legal authority to borrow money except as specifically restricted by its declaration and bylaws. For example, some declarations allow borrowing for only certain purposes or up to certain amounts, and the bylaws of many older communities impose a cap on how much money the board can spend on capital improvements before the approval of the unit owners is required. A growing number of banks offer a variety of loan products specifically designed for Connecticut community associations, which they generally consider to be a very good credit risk.

Importantly, these loans are not mortgages and will not be structured like mortgages. Condominiums usually do not own any real estate, since the common areas are owned not by the association itself but jointly by all of the individual unit owners. Therefore, the only thing these communities can offer a bank as collateral is a pledge of their right to collect common charges and special assessments from the unit owners. The security for the loan is an interest not in real estate, but in income. (Since non-condo cooperatives and planned communities do directly own common areas in the association's own name, they can choose to mortgage real estate for a loan, but usually don't.) To protect and monitor that collateral, the loan documents will usually require that common charges paid by unit owners be deposited at the lending bank itself. This might be structured as a "lockbox" in which the association maintains an account at the bank where this income is automatically directed and strictly controlled. Some loan agreements might even entitle the bank to force the board to increase common charges as needed to repay the loan over time. If the condominium defaults, the bank may be authorized to seize the money in the account and even bypass the board to collect common charges from the unit owners directly. Obviously, the effect of a significant default can be devastating to a community. Defaults are, however, exceedingly rare.



anyaberkut/Stock/Gettyimages Plus

“Because condominium loans are complicated legal transactions, boards must get an attorney involved early.”

Because condominium loans are complicated legal transactions, boards must get an attorney involved early. The declaration and bylaws will need to be carefully analyzed and perhaps amended, and the loan paperwork itself must be scrutinized to protect the association's interests. Meeting minutes, board resolutions, insurance policies, governmental filings, and other records must be compiled and reviewed. Defects, errors, ambiguities, or unfavorable items in any of these documents could prevent the closing or cause serious problems afterward. Any litigation pending or threatened against the association must be evaluated for potential impact on its repayment abilities. In fact, in virtually all instances, lenders will not make a loan until the condominium hires a lawyer to provide an opinion letter confirming that all of the association's documents are in good order, that the transaction is enforceable against the association and the collateral, and that the officers of the association have the legal authority to bind the association.

The board must also issue the appropriate notices to the community about the anticipated project and financing. At least 14 days before closing any loan, the board must send every unit owner a written summary of the loan's terms and its estimated effect on common charges.

This might be complicated if the balance or rates will fluctuate over time, and if each unit's common charge is different under the declaration. The unit owners must also be given a reasonable opportunity to submit written comments to the board about the loan. The board must obtain approval from a majority of all of the owners, or a supermajority if the declaration so requires, either at a properly-noticed meeting or by ballot. Anticipated loans also generally have to be disclosed to unit purchasers on resale certificates even before the details are finalized or the closing is held.

Financing capital projects may not be easy, but repairing and improving community buildings can ultimately contribute to enhanced comforts and property values for all residents. Boards which approach these projects with the right information and professional advice will be best equipped to succeed. ■

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.

Editor's Note: Interested in learning more about loans? Attend our Annual Conference & Expo on March 18, 2023 at the Aqua Turf and register for Lunch with the Experts. Select one of the tables that has a speaker discussing bank loans and you will get more insights and information about the borrowing process. Register today!

**We share your vision ...
and help it become a reality.**






We're dedicated to understanding the needs of Community Associations. That's why we partner with you every step of the way to help you achieve your goals!

Wendy Colleary
Vice President,
Commercial Lending
Business Development Officer

CAI Educated Business Partner
wcolleary@windsorfederal.com
860.298.6151

With flexible financing options for Community Associations,
We are Neighbors Helping Neighbors!



Windsor Federal
SAVINGS
WindsorFederal.com 

V. NANFITO
ROOFING & SIDING

- Leaks
- Windows
- Decks
- Gutters
- Insurance Claims
- Repairs
- Doors
- Painting
- Maintenance

1-800-916-6107
Vnanfито.com

CAI-CT Member **License# 570192**

CONDO/HOA 2023 CONFERENCE & EXPO

Saturday, March 18, 2023
The Aqua Turf Club, Plantsville, CT
8:30 am - 2:00 pm

**BUILDING
BLOCKS**

**TO A BETTER
COMMUNITY!**

**Pre-Register by
March 7th
for Savings!**



General Admission Includes:

- Topical education programs — 5 in total!
- Tantalizing prizes!
- Terrific exhibitors — lots of products and services to explore!
- Tremendous networking opportunities!

Additional Options Requiring Pre-Registration Include:

- Presidents' Breakfast
- Managers' Breakfast
- Optional Lunch With an Expert — \$32

**Good for
4 CEUs**

Our CAI-CT Conference team has been building our awesome 25th Annual Conference & Expo for nearly a year! We are excited to offer access to many of the tools and building blocks necessary to help sustain your community association. There are clearly lots of components that go into having a solid, well-functioning association. The Conference & Expo is a great opportunity to fill in any gaps and help insulate your board from future problems.

Our fabulous Expo Hall will have loads of experts that can help you manage the challenging dynamics of running a common interest community. Are there holes in your insurance coverage that you may not be aware of? Are you often wondering how to pay for big projects? Our professional service providers will be ready to discuss the services and products that can help stretch limited resources while keeping your community strong. We encourage you to remain with us until the end of the day when we will give away stacks of prizes to some lucky winners.

**This is THE Condo/HOA event of the Year.
Don't Miss Out! R.S.V.P. today!**

Diligent boards encourage as many of their members as possible to make the most of the diversity of educational sessions and networking opportunities. We even provide you with a board resolution in this issue (p.) for association support to attend the conference. Don't delay — register today!

Are you the president of your association? Join us at the exclusive presidents' breakfast where we will discuss the Secrets of Effective Meetings. **You must select this option at registration to attend.**

Are you a property manager? Join us at the exclusive managers' breakfast where we will discuss the Building Boundaries and How to Cover Your %#@. **You must select this option at registration to attend.**

Join us for Lunch with an Expert! If you wish to attend this session, you **MUST** select this option at registration and include the additional \$32 fee.

Save money and register early for the low-cost admission of only \$35/members, \$55/non-members. You must R.S.V.P. by March 7th to avoid the late registration fee of \$20. There will be **LOADS** of **FREE** parking!

Register Early and Bring Your Entire Board!

PRE-REGISTRATION BY MARCH 7TH:

** Add \$20 after March 7th*

	CAI MEMBERS	NON MEMBERS
GENERAL ADMISSION:		
Association Managers, Presidents, Board Members and Unit Owners	\$35	\$55
All Service Providers	\$100	\$150

Thank You to Our Sponsors:

EXHIBITORS:

PLATINUM SHOW SPONSOR:



GOLD SHOW SPONSOR:



BRONZE SHOW SPONSORS:



MANAGERS' BREAKFAST SPONSOR
Building Renewal, LLC

BLOODY MARY SPONSOR
Pro-Klean Cleaning & Restoration Services, Inc.

PRESIDENTS' BREAKFAST SPONSOR
CM Property Management

PRESIDENTS' BREAKFAST GIFT SPONSOR
Imagineers, LLC

SHOW BAG SPONSOR
Pilicy Ryan & Ward, PC

NAME BADGE SPONSOR
Tooher - Ferraris Insurance Group

REGISTRATION DESK SPONSOR
Imagineers, LLC

VEHICLE BILLBOARD SPONSORS
Adam Quenneville Roofing & Siding
V. Nanfito Roofing & Siding, Inc.

COFFEE CLUTCH SPONSOR
Schernecker Property Services, Inc.

EDUCATION SESSION SPONSORS
Bellwether Property Group
Bartlett Tree Experts
Imagineers, LLC
Prime Touch Services
United Property Restoration Services

CONTINENTAL BREAKFAST SPONSORS
All Waste, Inc.
The Falcon Group

AFTERNOON ENERGY BAR SPONSOR
Avidia Bank

- 24 Restore
- Adam Quenneville Roofing, Siding & Windows
- Alliance Association Bank
- AllPros
- Assured Partners
- Atlas Concrete Products, Inc.
- Avery Cleaning LLC
- Avidia Bank
- Bartlett Tree Experts of Simsbury
- Baybrook Remodelers, Inc.
- Becht Engineering BT, Inc.
- BELFOR Property Restoration
- Bellwether Property Group
- Bender, Anderson and Barba, P.C.
- BluSky Restoration Contractors
- Bouvier Insurance
- Building Renewal, LLC
- Cinc Systems
- CIT, a division of First Citizens Bank
- CM Property Management
- Comcast
- CPE Property Management Solutions
- Crystal Restoration Services of Connecticut
- Crystal Restoration Services of New England
- DMA Reserves, Inc.
- Fairfield County Bank Insurance Services, LLC
- Feldman, Perlstein & Greene, LLC
- Felner Corporation
- First Century Bank
- GAF
- GNV Insurance
- Imagineers, LLC
- Jacobs, Walker, Rice & Barry, LLC
- JP Carroll Roofing
- M & S Paving and Sealing, Inc.
- New Look Painting and Construction, Inc.
- On the Mark Management, LLC
- Overhead Door of Norwich
- Pacific West Bank
- Pilera Software
- Pilicy Ryan & Ward, P.C.
- Prime Touch Services
- Pro-Klean Cleaning & Restoration Services, Inc.
- Reserve Advisors LLC
- Rosenberg & Rosenberg, P.C.
- Sandler & Hansen, LLC
- SavATree/SavaLawn
- Savol Pools
- Savy & Sons
- Schernecker Property Services, Inc.
- SERVPRO of Milford-Orange-Stratford, SERVPRO of Southbury/Torrington SERVPRO of Newtown & SLC
- SOLitude Lake Management
- Spazzarini Property Services & Asphalt Maintenance
- The Falcon Group
- The Milford Bank
- The Reardon Agency, Inc.
- Tomasetti, Kulas, and Company, P.C.
- Tooher - Ferraris Insurance Group
- United Property Restoration Services
- V. Nanfito Roofing & Siding, Inc.
- Vantaca, Inc.
- Wattsaver Lighting Products, Inc.
- Westford Real Estate Management, LLC
- Windsor Federal Savings
- Zeldes, Needle & Cooper, P.C.



Education Sessions on the next page...



BUILDING BLOCKS

TO A BETTER COMMUNITY!



8:30 - 10:15 am EXHIBIT HALL OPENS • REGISTRATION AND CONTINENTAL BREAKFAST (COFFEE & DANISH)

Morning Sessions (You MUST select this registration option if you wish to attend. Limited to Presidents & Managers)

8:30 - 9:30 am

(GLASS ROOM)

PRESIDENTS' BREAKFAST: SECRETS OF EFFECTIVE MEETINGS – WHAT YOU NEED TO KNOW

This event is exclusively for presidents. You MUST select this registration option if you wish to attend. Act fast and register today! Seating is limited!

Speakers: Greg McCracken, Esq., EBP – *Jacobs, Walker, Rice & Barry, LLC*
Paul Summers, President – *The Fairways at Torrington*

Moderator: Mike Famiglietti, CMCA, AMS – *CM Property Management*

Want to know how you can keep your meetings moving and get more done in the process? We'll let you in on some great secrets that will make you a hero for running marvelous meetings.

Sponsored by: CM Property Management

8:30 - 9:45 am

(WAGON ROOM)

MANAGERS' BREAKFAST: BUILDING BOUNDARIES AND HOW TO COVER YOUR \$%#@

This event is exclusively for state registered Community Association Managers (CAMs). You MUST select this registration option if you wish to attend. Act fast and register today! Seating is limited!

Speakers: Greg Roberts, CMCA – *Westford Real Estate Management, LLC, AAMC*
Chas Ryan, Esq., EBP – *Pilicy Ryan & Ward, P.C.*

Moderator: Greg Zajac, EBP – *Building Renewal, LLC*

While managers are extremely knowledgeable, it is impossible to know everything, yet boards often expect them to. How can you create boundaries so you can manage YOUR time? Can presentation style affect how the message is received? Learn techniques so you can better protect your reputation and stay out of hot water.

Sponsored by: Building Renewal, LLC

10:15 - 11:00 am • General Session I

A: WHY RESERVE STUDIES & ADEQUATE MONTHLY FEES MATTER (GLASS ROOM)

Speakers: Vishnu Sharma, CPA, EBP – *Sharma & Associates (National CAI - President)*
Karl Kuegler, Jr., CMCA, AMS, PCAM – *Imagineers, LLC*

Moderator: Megan Elgard, EBP – *The Falcon Group*

Having the right pieces in hand is critical to successful community building. A reserve study helps to guide planning for upcoming capital improvements. Our speakers will discuss why keeping fees low can – and does – lead to big maintenance issues both short and long-term creating a financial burden on all owners.

Sponsored by: Bellwether Property Group

B: DELIVERING UNPOPULAR & DIFFICULT NEWS & INFORMATION (WAGON ROOM)

Speakers: Dave Pilon, CIRMS, EBP – *Bowvier Insurance*
Doug Newman, CMCA – *CPE Property Management Solutions*
Greg Zajac, EBP – *Building Renewal, LLC*

Moderator: Andrea Dunn, Esq. – *Bender, Anderson & Barba, P.C.*

Insurance rates are going up! Construction costs are rapidly increasing! We've been sued! We're going to need a special assessment! Do any of these problems ring a bell? Communities are facing challenges on many fronts. How do you keep the pieces together? We will discuss how you can communicate messages that may be difficult to convey.

Sponsored by: United Property Restoration Services

11:00 - 11:45 AM • EXHIBIT HALL

11:45 - 12:30 pm • General Session II

A: PREPARING, PRESENTING & IMPLEMENTING LARGE CAPITAL PLANS (GLASS ROOM)

Speakers: Jim Carroll – *JP Carroll Construction, Inc.*
Scott J. Sandler, Esq., CCAL – *Sandler & Hansen, LLC*
Mike Lombardo, CMCA – *Plaza Realty & Management Corporation*

Moderator: Jamie Kay Redden, CMCA, AMS, EBP – *Alliance Association Bank*

LEGO™ construction can often require looking at the project from different angles to determine where the bricks need to go. Large capital projects require a great deal of planning and strategizing as well. How are all the phases and pieces going to fit together? Our experienced team has helped hundreds of associations find the best course to make capital improvements successful.

Sponsored by: Prime Touch Services

B: LEGO MY EGO – DEALING WITH CONFLICT IN COMMUNITIES (WAGON ROOM)

Speakers: Kristie Leff, Esq. – *Bender, Anderson & Barba, P.C.*
Mark Liberman, CMCA, AMS – *On the Mark Management, LLC*

Moderator: Carrie Mott, EBP – *Bowvier Insurance*

Sometimes egos can get in the way of getting things done. An overzealous board member can't find a way to compromise on a simple interpretation of the rules. A stubborn unit owner insists their expensive car should have a better parking space. What methods can be used to encourage community members to reach consensus without a battle of wills?

Sponsored by: Bartlett Tree Experts of Simsbury

**A: LEGAL / INSURANCE PANEL
(GLASS ROOM)**

Speakers: Kristen Greene, Esq. — *Feldman, Perlstein & Greene, LLC*
Bill Ward, Esq., CCAL — *Pilicy Ryan & Ward, P.C.*
Kevin Reardon — *The Reardon Agency, Inc.*
Frank Pingelski, EBP — *Tooher-Ferraris Insurance Group*

Moderator: Karl Kuegler, Jr., CMCA, AMS, PCAM — *Imagineers, LLC*

There is a myriad of legal and insurance issues that confront associations constantly. We will delve into the difference of what is insurable and what is not; maintenance standards; understanding requests for siding modifications and the importance of proper coverage and more! Bring your questions!



**B: LUNCH WITH AN EXPERT OF YOUR CHOICE
(WAGON ROOM)**

*Pre-registration for this session is required. **Additional \$32 fee required.** Seating limited to 8 per expert.*

Moderator: Benjamin Whittemore, CMCA — *Pro-Klean Cleaning & Restoration Services, Inc.*

Have lunch with ONE expert of your choice from a list of the best and brightest in our industry. This is a great opportunity to explore your concerns on a specific topic with a small group of your peers in a more comfortable setting.

Your Choice includes:

- **Legal: General (for Homeowners)**
Chas Ryan, Esq., EBP — *Pilicy Ryan & Ward, P.C.*
- **Legal: General (for Community Association Managers)**
Bob Pacelli, Esq. — *Zeldes, Needle & Cooper*
- **Legal: Hearings, fines, and proper use of executive session**
Scott J. Sandler, Esq., CCAL — *Sandler & Hansen, LLC*
- **Legal: Bank Loans**
Ron Barba, Esq. — *Bender, Anderson & Barba, P.C.*
- **Insurance: General**
Bob Jones, EBP — *FCB Insurance Services, Inc.*
- **Insurance: Maintenance Standards**
Carrie Mott, EBP — *Bowvier Insurance*
- **Bank Loans**
Jamie Kay Redden, CMCA, AMS — *Alliance Association Bank*
- **Reserve Studies**
Dave Chesky — *The Falcon Group*

2:00 PM • DOOR PRIZE DRAWING (WAGON ROOM)

**YOUR NAMETAG IS YOUR
PRIZE DRAWING CARD**

**Deposit your Nametag at the entrance
to the Wagon Room at 2:00 pm.**

**REGISTRATION INFO
ON THE NEXT PAGE...**



MAIL REGISTRATION INFORMATION FOR MARCH 18, 2023 at the Aqua Turf in Plantsville, CT • 8:30am - 2:00pm

**March 18, 2023
Conference & Expo Registration
Through U.S. Mail –
(Clip & Mail, Copy as Necessary)**

***Pre-registration by March 7, 2023.**

Company/Association: _____

Name: _____

Address: _____

City: _____ State: ____ Zip: _____

Member # _____

Please select best description for you:

- President Board Member Manager Other

Please Select Registration Fee Based on Member Status:

- CAI Member Manager, Board Member or Unit Owner (\$35)*
 CAI Non-Member Manager, Board Member or Unit Owner (\$55)*
 CAI-Member Service Provider (\$100)*
 CAI Non-Member Service Provider (\$150)*

If you are a President, do you plan to attend the Presidents' Breakfast?

- No Yes

If you are a state registered manager, do you plan to attend the Managers' Breakfast?:

- No Yes

Would you like to attend the Lunch with the Experts for an additional \$32*:
*(Please note: seats are limited and are assigned on a first come first serve basis.
 You will be contacted if your selection is not available.)*

- No Yes, please also select one expert below:

- Legal: General (for Homeowners)
 Chas Ryan, Esq., EBP – *Pilicy Ryan & Ward, P.C.*
- Legal: General (for Community Association Managers)
 Bob Pacelli, Esq. – *Zeldes, Needle & Cooper*
- Legal: Hearings, fines, and proper use of executive session
 Scott J. Sandler, Esq., CCAL – *Sandler & Hansen, LLC*
- Legal: Bank Loans
 Ron Barba, Esq. – *Bender, Anderson & Barba, P.C.*
- Insurance: General
 Bob Jones, EBP – *FCB Insurance Services, Inc.*
- Insurance: Maintenance Standards
 Carrie Mott, EBP – *Bowvier Insurance*
- Bank Loans
 Jamie Kay Redden, CMCA, AMS – *Alliance Association Bank*
- Reserve Studies
 Dave Chesky – *The Falcon Group*

Total Enclosed : \$ _____

MUST BE POSTMARKED BY MARCH 7, 2023.

Mail to: CAI-CT
 1489 Main Street
 Glastonbury, CT 06033

**Community Association Board Resolution
for Attendance at the CAI-CT 2023
Conference & Expo**

Whereas, The _____ Association (hereafter referred as the "Association") board serves in the best interests of all owners in the community;

Whereas, The Association directors have the fiduciary responsibility to manage the assets of the Association according to established business practices and principles, and pursuant to competent, ethical and positive community governance; and

Whereas, The Association directors need to stay abreast of trends and best practices in community association governance, management and operations; and

Whereas, Community Associations Institute (CAI) is dedicated to providing information, education and best practices to help association leaders build and sustain strong and viable communities; and

Whereas, CAI is the leading advocate for common-interest communities before state and federal legislative and regulatory bodies; and

Whereas, Current and future Association residents will benefit from the training and education provided to their directors by CAI-CT; and

Whereas, attendance at the 2023 CAI-CT Conference & Expo will give Association directors access to valuable ideas, information and insights through educational sessions and awareness of products and services;

Resolved, That the Association invest in a funding the attendance of _____ board member(s) to attend the 2023 CAI-CT Conference & Expo; and

Resolved, That the Association's annual budget shall include funding for attendance at the CAI-CT Conference & Expo. Attendance at CAI education events may be paid by the Association, at the discretion of the board, requiring an affirmative vote by a majority of the directors and recorded in the open meeting minutes; and

Resolved, That the Association strongly encourages its manager and other professional service providers to attend the CAI-CT Conference & Expo to gain the knowledge, information and insights that enable them to better serve the association.

SO RESOLVED BY THE BOARD OF DIRECTORS on this, the ____ day of _____ in the year _____.

 Secretary of the Board

Board Members — Present this resolution at your next meeting to include the cost of your attendance in your association's budget.



ATTORNEYS AND COUNSELORS AT LAW
98 Washington Street, Third Floor
Middletown, CT 06457
Phone: (860) 398-9090 Facsimile (860) 316-2993
www.sandlercondolaw.com

Providing High Quality Legal Services to Connecticut Condominium & Homeowner Associations

- Collecting common charges and foreclosing association liens
- Interpreting, amending and updating documents
- Document and rule enforcement
- Transition from declarant control
- Negotiating with declarants
- Reviewing and negotiating contracts
- Representing associations borrowing from banks
- Maintaining and updating corporate records and filings

SCOTT J. SANDLER
FELLOW, COLLEGE OF COMMUNITY ASSOCIATION LAWYERS
CHRISTOPHER E. HANSEN
REBECCA SANDLER



BUILDING RENEWAL, LLC

We measure • Fabricate • Install • Never a middleman

Chimney cap replacement | Decks | Exterior repairs



45R Ozick Drive - Suite 19 - Durham, CT 06422

860-372-4554 | www.buildingrenewal.net



Financially Speaking...



Daniel Levine, CPA

FASB ASC 842: Lease Accounting Part 1

By Daniel Levine, MBA, CPA

Many people like to think accountants are creatures of habit and mostly eschew change. However, in the last five years accountants have had some seismic shifts in interpretation and application of accounting rules they have to adapt to. In 2017 there was a major overhaul in taxation, in 2019 revenue recognition rules were updated and changed, and lastly there is another large pronouncement that will go into effect beginning with the years ending December 31, 2022, which is leases. This article will give an overview of what is changing and what types of transactions could result in an association being subjected to these rules, specifically focusing on the perspective of the lessee.

Out With the Old (ASC 840)

Let's first start by looking at what the old method of lease accounting involved. First let's define a lease under the old rules. A lease was defined as an agreement between two parties conveying the right to use property, plant, and equipment (land or depreciable assets) usually for a stated period of time. Some examples would be leasing a vehicle or leasing a parking area that unit owners have access to. When entering a lease, the accounting rules on how to treat the lease depend on how a lease is classified. Under this section of the codification a lease is classified as one of two options, the first being an operating lease and the second classification being a capital lease.

Capital Leases

A lease would be classified as a capital lease if the lease meets any of following criteria:

- There is transfer of ownership of the leased asset.
- There was a bargain purchase option to acquire the asset contained in the lease.
- The lease term equaled more than seventy-five percent of the leased asset's useful life.
- The present value of the lease minimum payments equals or exceeds ninety percent of the fair value total cost of the equipment.

When a lease rises to the level of being classified as a capital lease, the accounting becomes much more complex. The lessee in the lease must record on its balance sheet the value of the asset being leased while also reflecting the lease liability on its books. The monthly pay-



Jirapong Manustrong/Shutterstock.com

"This article will give an overview of what is changing and what types of transactions could result in an association being subjected to these rules..."

ment isn't simply expensed anymore due to the presence of the lease liability on the balance sheet. Each payment instead has to be broken down between the portion reducing the lease liability and the portion relating to the financing (interest expense) in the lease.

The reason for the more complicated accounting is because the lessee for all intents and purposes will own the leased asset upon completion of the lease so the rules were made to reflect this ownership as an asset and also reflect the financing liability on the lessee's books.

Operating Leases

A lease classified as an operating lease is much easier to both define and account for. An operating lease is simply defined as any lease that isn't considered a capital lease. This means it doesn't satisfy any of the previous criteria mentioned. When a lease is classified as an operating lease, the accounting the lessee simply writes a rent check for use of the asset and expenses the payment as lease (or rent) expense. There is no balance sheet impact except for the use of cash, and the payments are considered operational expenses. This again relates to the fact that ownership of the leased asset stays with the lessor when it's an operating lease.

[Continues on page 20.]



TIME

**MAY NOT BE ON YOUR SIDE.
BUT WE ARE.**

When disaster strikes, the clock starts ticking.

Fire, water, wind or winter storm. You can count on BELFOR to respond quickly with workable solutions for any property restoration problem, no matter how difficult. We offer emergency solutions to help prevent further damage to your home and your community.

24-HOUR EMERGENCY HOTLINE
800.952.0556

EMERGENCY SERVICES

Safety Inspection and Evaluation

Site Containment

Board Up | Fencing

Water Extraction

Structural Drying and Dehumidification

Corrosion Control

Selective Demolition



BELFOR 

PROPERTY RESTORATION

RESTORING MORE THAN PROPERTY

30 North Plains Industrial Road, Wallingford, CT 06492 | 203.949.8660 | www.BELFOR.com

Connecticut Licenses: MCO 0902208, HIC 613688

PROUD AND LOCAL SUPPORTER OF CAI CONNECTICUT

FINANCIALLY SPEAKING...from page 18.

Due to the complexity of the rules in capital leases, many entities would look to structure leases to be classified as an operating lease. Not only did this simplify how to process the lease payments, but it also impacted balance sheet presentation and reporting. Many entities didn't need to record lease liabilities or reflect the assets that were being leased. The standard setters (Financial Accounting Standards Board (FASB)) did not like how presentation could be affected by the operating lease classification and therefore implemented a change to the lease accounting rules, unfortunately to the detriment to simplicity.

In With the New (ASC 842)

For years starting after December 15, 2021, the FASB has required non-public entities to adopt new lease accounting standards. So, for any association that is a calendar year association, the year of adoption would be the calendar year 2022 reporting period. So, these standards will be a consideration for any December year end audit done for those years.

What's changed?

- Definition of a lease:
 - With the new standards comes a new definition for what a lease is. Under ASC 842 a lease is a contract or part of a contract that conveys the right to control the use of identified property, plan, or equipment (an identified asset) for a period of time in exchange for consideration.

- Classification of a lease:
 - No longer is it operating or capital, a lease will now be classified as finance or operating.
 - The bright line tests associated with each classification have been removed.
- Presentation of leases:
 - New balance sheet accounts are in effect that will be required to be implemented to comply with the new standards.
 - At the thirty-thousand-foot view, the FASB wants entities to reflect on their balance sheets' any lease obligations. For any agreement that exists for more than twelve months, the lessee needs to recognize a "Right of Use" (ROU) asset as well as the lease liability on the entity's financial statements.

Finance Leases

For most entities, this type of lease will be where most leases fall under. This class of leases are for most assets other than property.

Under this classification an entity would create something called a "right of use" asset and a corresponding lease liability (calculated at the present value of lease payments) on an entity's books. The asset will be amortized off the association's books to reflect the use of the asset and the liability will be paid off over time with the discounted cash flows being reflected as interest expense in the entity's books.

[Continues on page 31.]

THE FALCON GROUP
CIVIL & STRUCTURAL ENGINEERING
ARCHITECTURE & DESIGN SERVICES
MEP & ENERGY CONSULTING
FACADE & BUILDING ENVELOPE EXPERTS EXPERT
WITNESS SERVICES
CAPITAL RESERVE STUDIES
TRANSITION REPORTS
STORM DAMAGE ASSESSMENT
FORENSIC ENGINEERING

www.thefalcongroup.us
info@thefalcongroup.us
(203) 672.5952
1266 E. Main Street, Suite 700R
Stamford, CT 06902

CELEBRATING 25th ANNIVERSARY 1997 2022

Facebook Instagram Twitter LinkedIn

Meet Your Team

Insurance and Financial Service Experts

Dedicated to providing exceptional service and customized insurance and banking solutions.






Jean Craemer | Employee Since 2007

Practice Leader, Insurance Services
O: 203.894.3118
Jean.Craemer@FCBIns.com



James Whetzel | Employee Since 2017

V.P., Commercial Portfolio Lender
O: 203.431.7457
James.Whetzel@FairfieldCountyBank.com

-  Protect You and Your Association
-  Manage Your Association's Finances
-  Fund Your Association's Projects



Learn more about our tailored solutions and get to know the rest of our experts.



Fairfield County Bank®
Member FDIC

Fairfield County Bank Insurance Services®

FairfieldCountyBank.com | FCBIns.com

Connecticut's Condominium Roofing Expert



35 years of experience with condominium roofing needs

- 24/7 Leak Response Repair Department.
- Free Roof Inspections.
- Experts in All Types of Roofing.

JP CARROLL CONSTRUCTION

Phone: 860-586-8857
Email: Office@JPCarrollroofing.com
www.jpcarrollroofing.com



Manager's Column...



Rich Wechter, CMCA

Being Practical, Part LXXXIII

Winter Plans and Summer Execution of Projects

By Rich Wechter, CMCA

In this column, I tackle various topics of interest with the intent of imparting practical advice. In this issue's column, the first in 2023, I offer some comments and suggestions regarding the utilization of the winter by community association managers and board members to plan for the execution of projects in the summer.

A. Setting the Table on this Topic

After a long year and hopefully, an enjoyable holiday season, we have reached the beginning of a new year during what most people, including this author feel is the least enjoyable and most miserable season in New England, winter. It would be easy to take a passive approach to this miserable season and just count the days to spring and thereafter summer. Aside from dealing with the expected number of snow and ice storms, most associations have few items to deal with during the winter. However, it is, in my opinion just the right time to plan for the better weather months ahead. Albert Camus once noted, "In the depth of winter, I finally learned that there was in me an invincible summer." The winter is the perfect time to plan for summer projects.

B. How to Develop Plans During the Winter for Summer Execution of Projects

I offer a few suggestions on how to develop plans during the winter for summer execution of projects:

1. Prepare a list of projects small and large that your association needs to accomplish during the upcoming year.
2. Prioritize these projects as best as possible.
3. Determine the scope of each project.
4. Establish who will be needed to plan/design the work, perform the work and monitor/supervise the work.
5. Establish the cost of each project.
6. Develop contingencies for each project (financial and alternative approaches).
7. Confirm the ability to pay for each project.
8. Establish the expected/needed participation of the community association management company, the members of the board, project consultants and others in each project.
9. Establish the expected commencement date and duration of each project.
10. Establish the level of communication required for each project.
11. Confirm the absence of any conflicts between projects. It is critical to avoid having contractors stepping over each other at a property.
12. Develop protocols for the review of each project.
13. Establish reasonable expectations for each project. Shooting for the moon is a desired goal in the game of hearts, but not necessarily in the development and execution of projects.
14. Keep your eye on the prize. The goal is to complete projects without getting distracted or bogged down with matters that could interfere with the successful completion of projects.
15. Walk, not run into summer projects. The winter does not end in January. Take sufficient time to proceed with all of the items noted above.



yusnizam/Stock/Getty Images Plus

"It would be easy to take a passive approach to this miserable season and just count the days to spring and thereafter summer. Aside from dealing with the expected number of snow and ice storms, most associations have few items to deal with during the winter."

C. Conclusion

Winter can be a most difficult time for all of us. Late sunrises and early sunsets make it difficult for many of us to get motivated to develop projects that will be performed later in the year when the weather is much more attractive. However, without having to deal with the aftermath of winter storms, community association managers and boards should take what would otherwise be a quiet time for community associations to plan for projects that will be executed later in the year. I hope that this article will aid in this effort. ■

Rich Wechter, CMCA is Senior Vice President at Westford Real Estate Management, LLC. Rich is a member of the LAC and is also a member of the Legal Symposium Task Force.

ENVIRONMENTAL TIP



With energy rates due to double in Connecticut at the beginning of 2023, finding ways to save on energy costs makes sense (and will save dollars too!)

Service Your Appliances. Your energy usage can be greatly impacted by having inefficient old appliances. A water heater or refrigerator that hasn't been serviced may consume up to 25% more energy than it needs to. That adds up to a lot of extra juice! So service those appliances! You'll thank yourself later.

AndreyPopovi/Stock/Getty Images Plus

Take Action with Authority

Condominium and Community Association Representation

- Common Charge Collection
- Rules Enforcement
- Governing Document Revision and Amendments
- Foreclosure Litigation
- Loan Closings
- Contract Negotiation
- Developer/Declarant Issues
- Municipal Zoning Matters
- General Representation and Litigation

ZNC
LAW | Zeldes, Needle & Cooper, P.C.



Lori DaSilva-Fiano
Attorney at Law

Robert A. Pacelli, Jr.
Attorney at Law

1000 Lafayette Boulevard, Bridgeport, CT • 107 Elm Street, Stamford, CT
T. 203-333-9441 • F. 203-333-1489 • ZNCLaw.com

We guarantee we will deliver results which exceed your expectations

ADAM QUENNEVILLE
ROOFING ▼ SIDING ▼ WINDOWS

Celebrating 25 Years

MEMBER OF community ASSOCIATIONS INSTITUTE

100 Trade Center, G-700 • Woburn, MA 01801 | 160 Old Lyman Rd • South Hadley, MA 01075 | 728 Barnum Ave • Stratford, CT 06614

WWW.1800NEWROOF.NET • 855.552.6273

CT HIC # 575920 • MA HIC # 191093 • MA CSL # 070626 • RI Reg. # 36301 • ME CHARTER # 20110918F



Jonathan Chappell, Esq.

Neighbors Not Being Neighborly: *What Do We Do?*

By Jonathan Chappell, Esq.

A board member call: “Mr. X says Mrs. Y heckles his family using racial slurs. What do we do?”

This article attempts to provide you with some information about discrimination complaints, which include conduct based on race, disability, age, ethnicity, sexual orientation, among other discriminatory motives. These claims are very fact specific, and this is not a substitute for association counsel’s advice.

Foundation for Community Association Research:

Review a report entitled “Creating Harmony in Diverse Communities.”¹ This report includes the results of a survey of association managers and residents in 2020.

A quote from the Foundation’s summary:

The purpose of community associations everywhere is to bring people together, strengthen neighborly bonds, promote a sense of belonging, and build a place where we can connect. That mission should be on the minds of community association board members, managers, and business partners in the smallest city condominium to the largest masterplanned suburban community.

A reported rise in the number of discrimination claims within community associations has put that mission in jeopardy. Intertwined with discrimination claims are general complaints from residents who respond negatively to delinquent assessment collections notices or community covenants, conditions, and restrictions compliance requests.

The results are probably not going to shock you. The report found “roughly half” reported experiencing *at least one* discrimination complaint. Most complaints involved neighbor against neighbor (72%) or involved board members (46%).

Just more than half (55%) of discrimination complaints were asserted after an “assessment collection notice, violation letter, or social media post.” Pointing this out is *not* intended to imply this author questions the veracity of any claim; a retaliatory claim must be taken seriously.

Should a Board be Concerned?

Yes.

Putting aside the merits of any claim, even one that may not be a “winner” will still cost an association time and significant costs. If you have experienced a claim filed with the Commission on Human



“Most complaints involved neighbor against neighbor (72%) or involved board members (46%).”

David/ro/Stock/GettyImages Plus

Rights and Opportunities (CHRO) or Department of Justice (DOJ),² you likely already understand.

Remember, CIOA, itself provides an alternative, a request³ for a board hearing. Subsection 47-278(d)(1)⁴ gives “[a]ny unit owner other than a declarant” the right to file a request for a hearing before the board “seeking to enforce a right granted or obligation imposed by this chapter, the declaration or the bylaws.” This can be asserted “against the association or another unit owner other than a declarant.”

Within 30 days, a board “shall schedule a hearing to be held during a regular or special meeting of the executive board,” and the “hearing shall be held not later than forty-five days after the date on which the association receives such request.”⁵ A board “shall make a decision on the unit owner’s claim” and must give written notice of its decision within 30 days.

Can an Association be Held Responsible for a “Neighbor-on-Neighbor” Dispute?

Yes. This may arise from creating a “hostile housing environment” under the federal Fair Housing Act (FHA).⁶

The Second Circuit Court of Appeals, binding upon us in Connecticut, describes the standard for an FHA claim:

“When, as here, a plaintiff brings a claim under the FHA that does not rest on direct evidence of landlord discrimination, we analyze the claim under the familiar *McDonnell Douglas* burden-shifting framework first developed in Title VII cases. Plaintiffs have specific, ‘reduced’ pleading burdens in cases subject to the *McDonnell Douglas* analysis.” *Francis v. Kings Park Manor, Inc.*, 992 F.3d 67, 73 (2d Cir. 2021) (cita-

[Continues on page 26.]



**WHILE OTHERS SEEK TO SELL A POLICY,
WE BELIEVE IN THE VALUE OF A RELATIONSHIP.**



**REARDON AGENCY
INSURANCE**





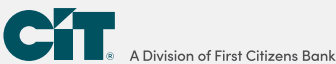
Kevin Reardon Mallory Reardon Jessica Rand

We specialize in providing master policies to condominium and homeowners' associations.

- Multiple companies to choose from for best pricing
- Coverage advice to best protect your property and liability
- Personal inspections of all properties

We look forward to assisting you.

**26 CLARK LANE
WATERFORD, CT 06385
860.442.1396
REARDONAGENCY.COM**






Expertise. Focus. Solutions.

Put the leading bank for community association management companies to work for you with individualized service, award-winning technology and smart financial solutions.

cit.com/cab

Let's get started.

Erin Kremser, VP, Regional Account Executive
860.459.4713 | Erin.Kremser@cit.com

© 2022 First-Citizens Bank & Trust Company. All rights reserved. CIT and the CIT logo are registered trademarks of First-Citizens Bank & Trust Company. MM#11612

NOT BEING NEIGHBORLY...from page 24.

tions and footnote omitted). A plaintiff must plausibly allege that she “(1) is a member of a protected class, (2) suffered an adverse action, and (3) has at least minimal support for the proposition that the housing provider was motivated by discriminatory intent.” *Id.* (cleaned up) (quoting *Littlejohn v. City of New York*, 795 F.3d 297, 311 (2d Cir. 2015)).

A.L.M. by & Through Moore v. Bd. of Managers of Vireum Schoolhouse Condo., No. 19-2771-CV, 2021 WL 5121137, at *1 (2d Cir. Nov. 4, 2021).

While *A.L.M.* can be viewed as positive because it holds the association and manager were not responsible, it seems the facts alleging discrimination were nearly non-existent. The plaintiff asserted a hostile housing environment based on being Chinese, her age, and sex. The court found her “conclusory assertions, particularly in self-serving testimony, cannot give rise to a reasonable inference of discriminatory animus.” In other words, she could not prove anything was done *because* of her age, or that she was female or Chinese.

Compare a recent decision by the federal court for the Southern District of Indiana in an FHA hostile housing case. In *Fair Hous. Ctr. of Cent. Indiana, Inc. v. New*, 577 F. Supp. 3d 908 (S.D. Ind. 2021), that court denied an association and manager’s motion for summary judgment. The plaintiffs included an African American resident who sued the association and manager based her neighbor’s pervasive and offensive conduct towards her and others. There was a litany of allegations, over years, in which the other residents were verbally assaulted with racial slurs, bullied, and/or sustained interference by the defendant with potential buyers/renters. Certain owners chose to move rather than tolerate it. That association was aware of the reported conduct, and even had its counsel write cease and desist letters to the “bad actor.” But, despite warning the defendant it could bring a lawsuit due to the conduct, the association did not follow through. The court noted the association *did* commence a foreclosure for unpaid charges, which was withdrawn when the association was paid.

These cases, applying the *same* federal law, come to opposite conclusions based on their different facts.

What Can We Do?

Avoiding claims should always be the (lofty) goal.

A board should consider having community events or sending out a newsletter. The Foundation found there may be a positive correlation between an association that has regular social events and communications. The idea is knowing your neighbor might avoid certain disputes. The burden or cost may be minimal relative to any positive impact.

Consider providing board training. The Foundation found only 14% of associations give their directors discrimination training. Again, this would not assure compliance, but the training should be somewhat readily available and at a low cost, relatively speaking.

You might also consider adopting a more formal complaint policy, to investigate and be proactive. This policy could be put on an agenda for inviting owners’ comments. Having a policy may also limit any perception that someone’s discrimination complaint is treated differently than another’s.

The board simply cannot ignore a neighbor on neighbor dispute, especially a dispute claiming potential discrimination. Be proactive and discuss with counsel. ■

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

END NOTES:

- 1 Available at: *Creating Harmony in Diverse Communities - Foundation for Community Association Research* (caionline.org)
- 2 A more complete discussion of the requirements of a complaint to CHRO or DOJ is beyond the scope of this article.
- 3 A board can, of course, notice a hearing to enforce a violation on its own.
- 4 Section 47-278 applies to every association, no matter when it was created. See CIOA §47-216(a).
- 5 CIOA 47-278(d)(2).
- 6 The author is aware of the potential legal dispute about the requirements of a “direct” or “vicarious” FHA claim. See 24 C.F.R. 100.7. This is beyond the scope of this article.

Plan ahead.



Include CAI annual membership dues in your budget planning and ensure your board is connected to the best resources to make informed decisions.

» Learn more at www.caionline.org/JoinNow


community
ASSOCIATIONS INSTITUTE

www.caionline.org
#WeAreCAI

Innovating community association banking solutions is our business, so you can focus on growing yours.



WA One of Forbes' "America's Best Banks" Year After Year

Specializing in:

- No-Fee Lockbox Services¹
- ConnectLive™ Software Integration
- Full Online Banking Services²
- Online Homeowner Payment Portal
- Lending Solutions³
- Extensive Deposit Solutions⁴

Meet Your Community Association Banking Experts:



Jamie Kay Redden, CMCA, AMS, EBP
Vice President
(724) 910-6304
jredden@allianceassociationbank.com



Stacy Dyer, CMCA, AMS
Senior Managing Director, East Region
(843) 637-7181
sdyer@allianceassociationbank.com

Bank on Accountability® | allianceassociationbank.com

¹Funds deposited through the Lockbox will follow Western Alliance Bank's funds availability policy as outlined in the Deposit Account Agreement Disclosure. ²Fees may be imposed for additional services related to online banking. Refer to Business Online Banking Setup and Authorization for more information. ³All offers of credit are subject to credit approval, satisfactory legal documentation and regulatory compliance. ⁴Refer to the disclosures provided at account opening and the Schedule of Fees and Charges for additional information. Alliance Association Bank, a division of Western Alliance Bank, Member FDIC. Western Alliance Bank ranks high on Forbes' "America's Best Banks" list year after year.



- Painting
- Roofs
- Siding
- Decks
- Windows



SERVICING CONDOMINIUM AND HOMEOWNER ASSOCIATIONS SINCE 1978

www.nlpcinc.com

CAI-CT MEMBER



Main Office 860.633.1319 | Shoreline Office 203.974.9852

Why a Fee Increase?



Shutterstock/Stock/Getty Images Plus

“Keep in mind that if the association does not maintain its property, real-estate values can decline.”

It isn't news most homeowners want to hear that assessments might be increased. But sometimes a fee increase is the best way to keep the association in good financial health — and, sometimes, increases are unavoidable. Here are some of the reactions homeowners typically have when they hear that their fees are about to increase, followed by the related rationales for an increase.

- *“I can't afford the increase.”* When you live in an association, you need to be willing to share the costs, as described in the governing documents to which you agreed in escrow. Keep in mind that if the association does not maintain its property, real-estate values can decline.
- *“I probably won't be living here in 15 years when the streets need repaving. Why should I have to pay now?”* Senior citizens, as well as young people living in condos they consider to be starter homes, often pose this question. The problem with this “short-timer” logic is that these people are themselves benefiting from the use of the streets, pool, and other common assets paid for by members who lived there before. Members should pay for the incremental use of these items each year they live there.
- *“Why don't we just have a special assessment for a specific project?”* It can be difficult to collect money when you suddenly have a large expense. It's better to collect it gradually, so the funds are there when you need them. Also, a special assessment unfairly penalizes homeowners who happen to live in the association at the time.

Source: Community Associations Institute.

Editor's Note: We are offering a session at our Annual Conference & Expo – Why Reserve Studies and Adequate Monthly Fees Matter featuring CAI's President, Vishnu Sharma. He will delve into the importance of setting fees appropriately.



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 Owners Concerned with Board and Management Company

C.C. from New Haven County, Connecticut writes:

Dear Mister Condo,

I have many concerns about the condo association and management company handling the condominium. Such as: Management and association officers have dual interests, the association and their contracting business servicing the condo. Condo association does not abide to by-laws. Lack of clear financial accountability. Lack of grounds and property maintenance. I look forward to any feedback you can provide. Our drawback is that most of the current unit owners do not have a way to share our individual concerns.

Mister Condo replies:

C.C., I am sorry that you and your fellow unit owners find the condo living experience lacking. The democratically-elected Board is the party responsible for hiring and managing the management company. You and your fellow unit owners have elected these folks to conduct the business of the association. In turn, the Board has hired the management company to perform certain tasks on their behalf. You and your fellow unit owners can most certainly express your concerns to the Board, either in writing or in person at a Board meeting or the association's Annual Meeting. It all starts with electing the right leaders. People can't simply volunteer and then not do anything. Sounds like you could use some fresh blood on your Board. Perhaps you should consider running? Without the right leadership from within the association, I wouldn't expect much to change. All the best!

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! ■

CLASSIFIED Services

ACCOUNTING

Carney, Roy and Gerrol, P.C.
 35 Cold Spring Road, Suite 111
 Rocky Hill, CT 06067-3164
 860-721-5786 • 800-215-5945
 Contact: Joseph T. Rodgers, CPA
 E-Mail: joe@crandg.com
CAI-CT MEMBER

Tomasetti, Kulas & Company, P.C.
 631 Farmington Avenue
 Hartford, CT 06105
 860-231-9088 • Fax 860-231-9410
 Contact: Dan Levine, CPA
 E-mail: DLevine@TomKulCo.com
CAI-CT MEMBER

ATTORNEYS

Pilicy Ryan & Ward, P.C.
 Stamford, CT
 Watertown, CT
 203-975-1151 (Stamford Office)
 860-274-0018 (Watertown Office)
 www.ctcondolawyers.com

William W. Ward, Esq. CCAL
 BillWard@prwpc.com
 Charles A. Ryan, Esq., EBP
 CRyan@prwpc.com

CAI-CT MEMBER

Sandler & Hansen, LLC
 Contacts: Scott J. Sandler, Esq., CCAL
 Christopher E. Hansen, Esq.
 Rebecca Sandler, Esq.

98 Washington Street, Third Floor
 Middletown, CT 06457
 860-398-9090 • Fax: 860-316-2993
 www.sandlercondolaw.com

CAI-CT MEMBER

Zeldes, Needle & Cooper
 Contact: Robert Pacelli, Esq.
 1000 Lafayette Blvd., 7th Floor
 Bridgeport, CT 06604
 203-333-9441 • Fax 203-333-1489
 Email: rpacelli@znclaw.com

CAI-CT MEMBER

CARPENTRY

Building Renewal, LLC
 Greg Zajac
 45R Ozick Drive, Suite 19
 Durham, CT 06422
 860-372-4554
 Email: gzajac@buildingrenewal.net
 buildingrenewal.net

CAI-CT MEMBER



• Painting • Siding • Decks
 • Roofs • Windows

SERVICING CONDOMINIUM AND
 HOMEOWNER ASSOCIATIONS SINCE 1978

www.nlpcinc.com CAI-CT MEMBER

MAIN OFFICE 860.633.1319 SHORELINE OFFICE 203.974.9852

CAI-CT MEMBER

Let Our Experience Work for You!

PRIMETOUCH
 SERVICES

carpentry • siding • painting

800.767.8910
 www.primetouch.net

COMMUNICATION • RESPONSIVENESS • SERVICE

CAI-CT MEMBER

V. Nanfito Roofing & Siding Inc.
 Contact: Vincent Nanfito, President
 558 Hanover Street, Meriden, CT 06451
 1-800-916-6107
 vnanfito11@aol.com
 Vnanfito.com

CAI-CT MEMBER

**ENGINEERING /
 RESERVE STUDIES**

The Falcon Group
 1266 E. Main Street, Suite 700R
 Stamford, CT 06902
 Phone: 203-672-5952
 www.falconengineering.com

CAI-CT MEMBER

FINANCIAL SERVICES

Alliance Association Bank
 Jamie Kay Redden, CMCA, AMS, EBP
 D (724) 910-6304 • Toll-Free (888) 734-4567
 717 Market Street, Suite 29
 Lemoyne, PA 17043
 JRedden@AllianceAssociationBank.com
 allianceassociationbank.com

CAI-CT MEMBER

**Avidia Bank, Community Association
 Lending**
 Howard Himmel, SVP
 978-567-3630 • h.himmel@avidiabank.com

Lisa Allegro, VP
 774-760-1228 • l.allegro@avidiabank.com

CAI-CT MEMBER

**CIT - Community Association Banking
 Division**

Contact: Erin Kremser
 VP / Regional Account Executive
 P.O. Box 105, West Chatham MA 02669
 860-459-4713

Erin.kremser@cit.com
 www.cit.com/CAB

CAI-CT MEMBER

Fairfield County Bank

James Whetzel
 150 Danbury Road
 Ridgefield, CT 06877
 203-431-7457

James.Whetzel@FairfieldCountyBank.com
 www.FairfieldCountyBank.com

CAI-CT MEMBER

The Milford Bank

Contact: Paul Portnoy, Vice President
 Vice President
 203-783-5700 • 800 340-4862

www.milfordbank.com

CAI-CT MEMBER

Pacific Western Bank

Contact: Sally V. McCray, VP, Regional
 Account Executive — HOA Services
 3320 Holcomb Bridge Road
 Peachtree Corners, GA 30092

Tel: 770-326-9664 • Cell: 404-259-9000
 HOA Customer Service 888-928-3936

smccray@pacwest.com
 pacwest.com

CAI-CT MEMBER

Windsor Federal Savings

Wendy Colleary
 250 Broad Street
 Windsor CT 06095
 860-298-6151 • Fax: 860-242-5513

wcolleary@windsorfederal.com
 windsorfederal.com

CAI-CT MEMBER

[Continues on page 30.]

CLASSIFIED SERVICES...from page 29.

INSURANCE

Bouvier Insurance

860-232-4491
Contact: Richard Bouvier, CIC
www.Binsurance.com
CAI-CT MEMBER

C.V. Mason & Company Insurance

Contact: Bud O'Neil
860-583-4127 • Fax 860-314-2720
boneil@cvmco.com

Fairfield County Bank Insurance Services

Contact: Jean Craemer
401 Main Street
Ridgefield, CT 06877
203-894-3118
Jean.Craemer@FCBIns.com
www.FCBIns.com
CAI-CT MEMBER

The Reardon Agency, Inc.

Mallory Reardon Porter
26 Clark Lane
Waterford, CT 06385
(860) 442-1396 • Fax: (860) 444-2822
mreardon@reardonagency.com
www.reardonagency.com
CAI-CT MEMBER

Toofer Ferraris Insurance Group

Contact: Peter P. Ferraris, Jr., President
43 Danbury Rd., Wilton, CT 06897
Tel: 203-834-5900 or 800-899-0093
Fax: 203-834-5910
E-Mail: pferraris@toofer.com
CAI-CT MEMBER

MANAGEMENT COMPANIES

County Management Services, LLC

6527 Main Street
Trumbull, CT 06611
203-261-0334 • Fax: 203-261-0220
Contact: Gary M. Knauf
garyknauf@gmail.com
www.countymgmt.com
Licensed: CT Registration #
CAM.0000692
CAI-CT MEMBER

IMAGINEERS, LLC

635 Farmington Avenue
Hartford, CT 06105
Phone 860-768-3330 • Fax 860-236-3951

249 West Street
Seymour, CT 06483
Phone 203-463-3219 • Fax 203-463-3299

Contact: Karl Kuegler
E-mail: kkuegler@imagineersllc.com

Licensed: CT Registration # CAM.0001
www.imagineersllc.com

CAI-CT MEMBER

Magee Property Management

7 Cody Street
West Hartford, CT 06110
860-953-2200 • Fax 860-953-2203
Contact: Amber Chamberland
Email: manager@mageecompanies.com
www.MageeCompanies.com
Licensed: CT Registration # CAM.0000680
CAI-CT MEMBER

SOMAK Property Management

413 East Street, Suite 2
Plainville, CT 06062
860-259-1046
info@somakmanagement.com
www.somakmanagement.com
Licensed: CT Registration # CAM.0000679
CAI-CT MEMBER

PAINTING

CertaPro Painters

Contact: David Messier
112 Stockhouse, Rd.
PO Box 300, Bozrah, CT 06334
860-886-2903 • Fax 860-886-5900
CAI-CT MEMBER



• Painting • Siding • Decks
• Roofs • Windows

SERVICING CONDOMINIUM AND
HOMEOWNER ASSOCIATIONS SINCE 1978

www.nlpcinc.com CAI-CT MEMBER

MAIN OFFICE 860.633.1319 | SHORELINE OFFICE 203.974.9852

CAI-CT MEMBER

Let Our Experience Work for You!

PRIMEtouch
SERVICES

carpentry • siding • painting

800.767.8910

www.primetouch.net

COMMUNICATION • RESPONSIVENESS • SERVICE

CAI-CT MEMBER

**ROOFING/SIDING/
GUTTERS/WINDOWS**

Adam Quenneville Roofing & Siding

Adam Quenneville
160 Old Lyman Road
South Hadley, MA 01075
855-552-6273
production.aqrs@gmail.com
www.1800newroof.net
CAI-CT MEMBER

JP Carroll Construction Inc.

Contact: Jim Carroll
135 W. Dudley Town Rd.
Bloomfield, CT 06002
860-586-8857
office@jpcarrollroofing.com
www.jpcarrollroofing.com
CAI-CT MEMBER

Leading Edge Exteriors, LLC

Contact: Michael Muraca
730 East Street, Middletown, CT 06457
860-632-0050 • Fax 860-632-7762
Michael@leadingedgeexteriorsllc.com
www.leadingedgeexteriorsllc.com
CAI-CT MEMBER

Magee Roofing, Windows, Gutters & Siding

7 Cody Street
West Hartford, CT 06110
860-953-2200 • Fax 860-953-2203
www.MageeCompanies.com
Licensed: CT Registration # CAM.0000680
CAI-CT MEMBER

Common Interest

**Hits YOUR
Target Market!**

To Advertise Call

888-445-7946

or email:

info@BrainerdCommunications.com

Reficio Company, LLC
 Contact: Alex Gritzuk
 70 Industrial Park Access Road
 Middlefield, CT 06455
 (860) 961-6562
 www.reficiocompany.com
CAI-CT MEMBER

**V NANFITO
 ROOFING & SIDING**

- Leaks
- Windows
- Decks
- Gutters
- Insurance Claims
- Repairs
- Doors
- Painting
- Maintenance

1-800-916-6107
 Vnanfito.com

CAI - CT Member License# 570192

SNOW PLOWING

**Magee Properties & Facilities
 Maintenance**
 7 Cody Street
 West Hartford, CT 06110
 860-953-2200 • Fax 860-953-2203
 www.MageeCompanies.com
 Licensed: CT Registration # CAM.0000680
CAI-CT MEMBER

WATER / FIRE DAMAGE

BELFOR-CT
 30 N. Plains Industrial Road
 Wallingford CT 06492
 800-952-0556
 www.belfor.com
CAI-CT MEMBER

**Crystal Restoration Services of
 Connecticut, Inc.**
 Contact: Jean Walker
 3 Duke Place, South Norwalk, CT 06854
 203-853-4179 • 203-853-6524 Fax
 E-mail: jwalker@crystal1.com
 www.crystalrestorationservices.com
CAI-CT MEMBER

United Property Restoration Services
 Licia Ciotti
 800-835-0740 Phone
 203-464-4171 Cell
 860-349-2580 Fax
 www.unitedprs.com
 lciotti@unitedprs.com
CAI-CT MEMBER

FINANCIALLY SPEAKING...from page 20.

Operating Leases

Under the new rules, a lease for property would fall under an operating lease category. However, gone is the simpler accounting. Under the operating leases a right of use asset and lease liability are still recorded like a finance lease.

Why Does This All Matter?

I'm sure after reading all of the above, your head may be spinning and thinking how does this apply to an association? Well, the issue comes down to whether an association has a lease or not and as boards change the association may be in a lease the current board is unaware of. Many associations may not have a lease, but there are some surprising contracts that may contain a lease that require scrutiny now. Does your association lease gym equipment? Is your laundry room/equipment under a lease? Is your association considering entering into an agreement that could qualify as a lease for electric vehicle charging stations? If the answer is yes, and the association is considered the lessee under that agreement, then these new rules will have an impact on your association's financial statements.

Conclusion

The last of the big changes the FASB are making are finally here with leases. While this may not apply to all associations today, the changing environment associations operate in may trigger the need to adopt and apply these rules. The next article will look to delve into the calculations and impact to the overall audit process a lease will have. ■

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 At Large Legislative Advocacy Committee and serves on the CAI-CT Board of Directors.

DISPLAY ADVERTISER DIRECTORY

Adam Quenneville Roofing & Siding	23
Alliance Bank.....	27
Avidia Bank.....	9
Belfor Property Restoration	19
Bouvier Insurance	Back Cover
Building Renewal, LLC	17
CIT	25
Fairfield County Bank and Fairfield County Bank Insurance Services.....	21
The Falcon Group.....	20
JP Carroll Construction.....	21
Leading Edge Exteriors, LLC	9
The Milford Bank	2
New Look Painting & Construction.....	27
Reardon Agency	25
Sandler & Hansen, LLC.....	17
V. Nanfito Roofing & Siding.....	11
Windsor Federal Savings.....	11
Zeldes, Needle & Cooper, P.C.....	23



Connecticut's Condo Insurance Specialists



Rich Bouvier,
CIC, CIRMS



Carrie Mott,
AGSR, CPIW



Dave Pilon,
CIRMS



Kim
Kurdziel



Brian Kelly,
CIC

Bouvier is the largest insurer of Condominium Associations in Connecticut, it's our specialty! We are here to help you make sense of your coverage options and answer any questions you may have. Call us and we can review your association's program to help you get the coverage you need.



BOUVIER[®]
INSURANCE
binsurance.com



Call 800-357-2000
or visit binsurance.com
Insure like family