

(850)797-3472  
P. O. BOX 5581  
DESTIN, FL 32540

### EXECUTIVE DIRECTOR

Kathy Barber  
ed@cai-ngcc.org

### INSIDE

Keeping Politics Out of Your Community Association .....	2
Good Neighbors Make a Great HOA.....	3
Homeowners Guide to Hurricanes .....	4
Reserve Studies Make Business Sense.....	6
How Responsible Are You for Volunteers Acts? .....	7
State Legislative Action Committees .....	7
Pond Structure Management....	8
Budgeting in Uncertain Times .....	9
CAM's Corner .....	11
CAI- FLA Legislative Update	11
Call for Candidates .....	12
Welcome New Members.....	12
Thank You to Our Sponsors....	13

# THE PRESIDENT'S REPORT

Hello Fall 2020!

Well, this past summer has been one that will not be forgotten anytime soon. Once we were not in full quarantine any longer, our beaches were open for business, and they came! From New York, New Jersey, Ohio, Mississippi, Texas...and so many other license plates I viewed during my travels along 30-A, 98 and I-10. Our beaches are some of the most beautiful in the world, and I am glad that others were here to enjoy, despite the inconveniences.

CAI may not have been having our usual luncheons, but we didn't stop completely with education and staying connected. We held a CAM Education Day at Northwest Florida State College in August and had a decent turn out, about 20 CAM's were in attendance. We were limited to how many could attend (thanks C19) but our Business Partners stepped up and we made a full day out of it, offering 6 credit hours. Thanks to Dave Jefferson with Simple HR, Tim Fulmer and Chad Branson with Carr, Riggs & Ingram, John Townsend with Hand Arendall Harrison Sale, and John Northway & Paul Sherwood with Advanced Fire Protection Services, Inc.

We also held our first virtual luncheon in September with a panel discussing "Six Month Checkup on the Panhandle" that

was moderated by John Northway with Advanced Fire Protection. Our panelists were Greg Tober with Gambrell & Sturges, Carol Scicchitano with Virtuous Management, and Suzanne Blankenship with Emmanuel, Sheppard & Condon. Our Sponsor Spotlight was Michele Richards with Community Management Associates and our News You Can Use was Christine Sutherland with Dunlap & Shipman, another good turn out! It was so good to see people's faces that I have not seen since March. We sent out a poll shortly after that luncheon and if you took it THANK YOU! Your participation in these polls is so important to us and I am glad to report we will be resuming in person activities. We do not have all the details worked out yet but just stand by because we will be sending out announcements.

The CAI will be hosting our Annual Golf Tournament October 30th and we are gearing up to have a fantastic day out on the course. This year's event it is being held at Indian Bayou County Club in Destin. The tournament will have a Halloween theme and I personally think this is going to be one of the best we have ever held! If you have not registered yet there is still time!

My message cannot go out without a huge shout out to our Chapter Executive Director, Kathy Barber. The outstanding



**Patty Campbell**  
Chapter President

job she has done this year needs to be recognized. Thank you Kathy!!

Thank you to all our Diamond, Platinum, Gold and Silver sponsors. We really appreciate your contributions to our Chapter!

To all thank you for your continued support of our Chapter and stay safe out there!

*Patty Campbell*  
President

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# KEEPING POLITICS OUT OF YOUR COMMUNITY ASSOCIATION

*by Donna Dimaggio Berger, Attorney,  
 Becker & Poliakoff*

Not surprisingly, the chatter about whether or not political signs should be permitted in private residential communities has increased as we draw closer to the elections in November.

Let's first discuss whether or not an owner in a Florida HOA has the "right" to install signs. The short answer is "no" with one exception. FL homeowners' associations can prohibit all types of signs other than one security sign located ten or fewer feet from the entrance to the home. All other signs including "For Sale" signs, signs installed by vendors doing work at a home, seasonal and congratulatory greetings and political signage may be prohibited IF the board determines that doing so is in the best interests of the community. Naturally, if the members disagree with their board's decisions they may decide not to re-elect that board in the future.

Some owner signs enhance a community's charm including seasonal greetings, and in the time of Covid, the congratulatory yard signs letting neighbors know of a child's accomplishments when a traditional party could not take place. However, other signs cause concern. Many boards dislike the posting of "For Sale" signs as an abundance of those signs may send the wrong signal to both residents and potential purchasers.

And, it goes without saying that political signs these days are capable of igniting deep fractions inside residential communities. One school of thought is that some people's sensitivities should not dictate others' ability to promote their political candidate of choice.

The other school of thought associated with political signs is that they do not belong inside a private residential community where they can do more



harm than good. The advocates for keeping politics out of communities believe that one's political ideology is more productively expressed through monetary donations, volunteering for a campaign and/or waging war on social media sites to one's heart's content.

Some owners maintain that their constitutional rights are being trampled if their association denies them the right to install a political sign or political flag. In fact, you need a state actor to be the entity violating one's First Amendment rights in order to mount a sound constitutional argument. In Florida, condos and HOAs have not been found to be state actors so prohibiting political signs and political flags is possible either through a recorded covenant or a board rule if the board has rule-making authority under the governing documents. In the case of Quail Creek Prop. Owners Association, Inc. v. Hunter, 538 So. 2d 1288, 1289 (Fla. 2nd DCA 1989), the Second District Court of Appeal found that an association's sign

restriction was not unconstitutional as "neither the recording of the protective covenant in the public records, nor the possible enforcement of the covenant in the courts of the state, constitutes sufficient "state action" to render the parties' purely private contracts relating to the ownership of real property unconstitutional."

Some boards choose to regulate the number and size of political signs and political flags as well as how long they can remain in place. However, when it comes to wording on those signs and what may or may not be considered offensive that requires a more in-depth analysis which some boards understandably wish to avoid. After much debate, many communities simply decide that political signs are best left outside their communities.

The place you call home should be a respite from the world and respites often don't involve contentious political signage next door.



# GOOD NEIGHBORS MAKE A GREAT HOA

*by Laura Otto, HOA Resources*

A simple “hello,” a wave as you walk by, or organizing a community activity are just some of the ways you can be a good neighbor. However, as remote working, virtual learning, and social distancing have become the norm, finding new ways to be an engaged neighbor have never been more important.

According to a new CAI survey, nearly 90% of respondents who live in a community association say they have engaged with their neighbors during the COVID-19 pandemic. How have residents supported each other? Running small errands, helping with grocery shopping, and picking up prescriptions ranked among the top ways neighbors are keeping each other stay safe and healthy

during these challenging times. Residents also report organizing activities to provide joy and levity during the pandemic.

Being an engaged resident is important for the well-being of a community. More than 60% of respondents say they volunteer on their homeowners association’s board, and nearly 50% participate in social events and recreational activities organized by residents.

How well do you know your neighbors? CAI’s survey found that close to 60% say they know their neighbors very well. Additionally, an overwhelming 90% of respondents believe they are a good neighbor, citing being caring, helpful, and respectful as characteristics that contribute to an overall healthy community.



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# HURRICANES: A HOMEOWNER'S GUIDE

*By Cohen Law Group*

We Floridians are no strangers to hurricanes; our communities have perennially endured the fury of such massive storms before, and we will do so again.

In the aftermath of such destructive force, often the first casualty is normality. Our usual routines and comforts may be gone—sometime for weeks or even months. Our usual institutions, hang outs, and even our own homes may be shuttered, closed down, falling apart, or even completely destroyed. Our usual sundries and resources—electricity, gasoline, even food and water—may suddenly become scarce commodities.

## “How Do We Rebuild?”

The first question many find themselves asking after a hurricane this is “how do we rebuild?”

**First, you must have the will to rebuild, and second, you must have the resources.** Unless you have potentially large sums of money at your disposal, these resources typically come in the form of insurance proceeds from the home or renters’ insurance you have carried, often for years, to protect you in just such a catastrophe.

As is to be expected, in the wake of such panic, many things easily fall by the wayside. Reeling from loss and uncertain about the future, you are now faced with an unwelcome and unavoidable task: rebuilding and recovering the normality that was taken from you by the storm.

It is at this critical juncture that you may be called upon to make decisions with your insurance carrier that may have financial and personal ramifications for years to come.

We would like to share some of our practical firsthand experience in the hopes that you do not fall victim to mistakes:



## Steps To Take

**Document, document, and then document some more.**

First, obtain your full insurance policy (not just the declarations page or the renewal form), or request it from your insurance company.

Next, keep detailed records of everything related to the damage you suffered, and your interaction with the insurance company from the moment you call a claim in. This documentation includes the condition of your house before the hurricane and the condition of it after the hurricane.

Take photos and videos of any damage as soon as you safely can.

Keep receipts of everything you spend, even food and living expenses like hotels if you cannot stay at home.

Make a list of any items damaged by the storm.

Keep track of the chronology of events—every phone call and every email—with names, dates, times, and numbers.

Document it all, and don’t stop until your claim is fully resolved.

## Promptly file your claim.

Insurance companies can deny your claim if you do not provide them prompt notice of your insurance claim. Refer to your insurance policy, or seek the advice of an attorney to find out how to do this in accordance with your insurance policy.

**Cooperate with the Insurance company, but consider getting a second opinion.**

After you file a claim, your insurance carrier will typically send a loss adjuster to evaluate your claim in person. Typically, based on that adjuster’s findings, the insurance company will then make a determination if your loss is covered or not. If they find it is not covered, they will not pay you anything. We may be able to help you with that.

If they do conclude that your claim is covered, they may then offer money to settle your claim. If you do not feel like the amount they are offering is enough, consider obtaining the advice of an attorney, and obtaining your own repair estimates from qualified contractors.

Be careful not to sign anything without understanding what you are agreeing

to, or what rights you are giving up. An attorney can help with this process as well.

## Protect your property after the loss.

Under most insurance policies, you have an obligation to protect your property from further loss. This means doing what you can to prevent water from continuing to enter your home, preventing the spread of mold, tarping roofs, stopping leaks etc.

Again, an attorney can help strategize with you about what you need to do, depending on what is contained in your policy.

**Do not assume the type of damage you have, and do not guess if you are not sure.**

When communicating with insurance companies, it is important to be extremely careful to describe the damage and its cause as accurately as possible. Many Insurance policies have numerous coverage exclusions and bases for denying claims, depending on the cause of damage, the item damaged, and type of damage. An experienced attorney will be able to explain these risks to you.





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# RESERVE STUDIES MAKE BUSINESS SENSE

*By: Nick Brenneman, Reserve Advisors, Southeast Regional Account Manager*

Over the years, homeowners volunteered to serve on the board because they had expertise and skills from professional careers that were applicable to the association. Examples include attorneys, accountants, and engineers. Boards are made up of people with these skills, as well as, other owners who are simply concerned about protecting their most important investment - their home.

This approach generally worked well in the early years of the association industry. Today, however, community associations are being managed more like a business with the help of outside attorneys, engineers, and accountants who specialize in community association property. Now more than ever, associations are using the services of independent engineering firms that specialize in 30-year reserve studies. A professional reserve study determines accurate, supportable annual reserve contributions necessary for the repair or replacement of common property as it wears out over the development's life.

Professional reserve studies are designed to eliminate special assessments by ensuring that sufficient funds are available when property components need to be repaired or replaced. Elimination of special assessments offers peace of mind to owners and reduces claims of financial mismanagement. Most homeowners view their home as a financial investment. Therefore, associations are increasingly emulating business management because of the fiduciary nature and responsibility of association boards.

Florida Statute 718 requires reserves

for roof replacement, building painting, pavement resurfacing and, "any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000." {FS 718.112(2) (f)} While regulations vary for homeowners associations (FS 720) and cooperatives (FS 719), there is a strong trend toward more legislation rather than less.

One may wonder what his "fiduciary duties" are under these statutes. As director of a community association, your actions (or inactions) have an impact on your and the members' financial well-being now and in the future. Successful boards know that sound financial and business decisions for the future cannot be made without a reliable snapshot of where the organization is now, as well as, where it is planning to go.

Boards and management companies alike look to firms specializing in reserve studies for an independent, accurate projection of future capital repair costs and realistic useful life information. The reserve study provider will determine the current financial status of the association and a future funding plan, usually for the next 30 years. Some reserve studies even contain valuable information about the condition of the property and scope of replacement projects to further educate the board on the nuts and bolts of their association. The reserve study becomes the blueprint that the current and future boards will rely on with complete confidence. Regardless of the board members individual experience, education or background, a professional reserve study will prepare the board to better fulfill their fiduciary responsibility.





# IS A COMMUNITY ASSOCIATION RESPONSIBLE FOR THE ACTS OF ITS VOLUNTEERS?

by Robyn M. Severs, Attorney,  
Becker & Poliakoff

Community associations can be a great place for community involvement. It is always nice to see members get involved and help with operating the association. However, should the association be concerned about the actions of these volunteers?

An association may be held liable for the acts of its volunteers, depending on the situation. Accordingly, it is important to confirm that the association will be protected if something goes wrong. The association should contact its insurance carrier to ensure that it has insurance for volunteer workers. If not, then the association should not allow volunteer work without obtaining such



insurance coverage. If there is insurance coverage, you should ensure that the person performing the work meets the definition of a volunteer, per the terms of the insurance policy. Also, there should be a determination as to what work, damage, and injury is covered per the terms of the policy. If a volunteer worker

exceeds the scope of any covered work, or if the damage/injury is not covered under the terms of the policy, then the association may be exposed to liability. Obviously, determining the scope of insurance coverage requires a factual and legal review, and the association should seek the guidance of an attorney when determining the scope of insurance coverage.

Additionally, to further assist in limiting any potential exposure to liability, an association should create a list of official duties to be performed by each volunteer and have the volunteer sign a form acknowledging that the association has only authorized the volunteer to perform the duties on the list. Volunteers should not be permitted to engage in potentially hazardous activity or any activity that involves undue physical strain. In addition,

an association should:

- not allow volunteers to perform any services that require the use of a licensed vendor/contractor or which would require a permit.
- seek legal guidance on whether a licensed vendor/contractor or permit is required for the work the volunteer will be performing.
- consider obtaining releases/indemnifications from volunteers performing services for the association.

While we understand this may discourage individuals from volunteering, an association has a fiduciary obligation to its members, which could include an obligation to protect the association from potential exposures to liability. Community involvement is wonderful but protecting the association is paramount.

## STATE LEGISLATIVE ACTION COMMITTEES



Legislative Action Committees work to monitor state legislation, educate lawmakers, and protect the interests of those living and working in community associations. Each committee is comprised of homeowner leaders, community managers, and representatives from community association business partners who graciously volunteer their time.

Formed in 1987, the CAI Florida Legislative Alliance is a volunteer legislative action committee consisting of homeowners and professionals serving community associations. They

advocate in Florida by identifying community associations issues, monitoring pending legislation, and setting legislative priorities. In addition, they build relationships with and educate state legislators, providing invaluable advice when community association issues arise.

We welcome back Tom Cooper and welcome new member, Alan Jowers, as our Chapter Representatives to the FL LAC. Each will serve a two-year term beginning in October 2020.

We wish to thank Rita Raus who retired from the LAC this year. Emily Jennings, Manager of Chapter Support and Development for CAI, says "Rita Raus has been a huge asset to the North Gulf Coast Chapter and the Florida Legislative Alliance. She has been extremely involved in advocating for the



best interest of community associations at the state level. Rita was always willing to listen to the concerns of the members and take them back to the committee. She was also dedicated to making sure everyone stays informed and educated about what's going on in the FL Legislature in regard to associations. Rita will be greatly missed, and we wish her the best on her next adventure."

From Rita,

"I will be leaving the Florida Legislative Alliance after 6 years of serving with mixed emotions. I have learned so much from this experience. I will miss the interaction with association attorneys, insurance agents, accountants, managers, management companies and volunteer leaders, who share their insight and opinion into the various nuances of legislation for associations in the state.

Alan Jowers will be filling my seat on the Alliance, and Tom Cooper will continue representing us. Please contact them with your questions and your input regarding legislative action that you would like to see, or need to fight."

# THE OVERLOOKED FACET OF COMMUNITY POND MANAGEMENT: STRUCTURE

*Shannon Junior, Aquatic Ecologist  
& Senior Business Development  
Consultant, SOLitude Lake Management*

Lakes and ponds can be amazing focal points of our communities. People are innately drawn to water, and local waterbodies create natural spaces to enjoy a morning run, an afternoon walk with the dog, or a neighborhood social event. Many communities that I work with have implemented beautification and habitat enhancement projects for their ponds, and some have even hosted kids fishing derbies or remote control boat races. But while maintaining healthy and attractive waterbodies is a priority for most HOAs, the basic structural and functional maintenance activities are frequently overlooked.

It's relatively easy for the average community manager or resident to identify when their stormwater pond is experiencing problems when it's covered in weeds and algae or when the fish stop biting, but many of the tell-tale signs of structural trouble are more subtle and difficult to identify.

Lakes and ponds can occur naturally in the landscape, but more often they are man-made, constructed for drinking water supply, irrigation, livestock watering, recreational use, or stormwater management—as is the case for most HOA waterbodies. There are many important components in a stormwater management facility that help regulate water levels, filter debris, and prevent flooding. All of

these structural components require frequent inspections and maintenance to ensure the continued integrity and functionality of the waterbody. Without proactive monitoring, it is easy to accidentally overlook serious structural damage and volume loss until the problems require costly repairs and invasive solutions like dredging.

In some localities, the inspection and maintenance of stormwater management facilities (also referred to as 'BMPs' or 'best management practices') is handled by the City or County; although, more commonly, it is the responsibility of the pond owners. Unfortunately, it can also be confusing to understand your HOA's obligations for each of the facilities in the community, especially when the responsibilities can vary between localities, communities, and the facilities themselves. The key documentation that outlines the responsibilities of the HOA for stormwater facilities in the community is the Stormwater Maintenance Agreement with the locality. This document should exist for every facility that is part of an approved site development plan, and should be on file with the locality if you aren't able to locate it.

Your lake and pond management provider is typically a knowledgeable resource when it comes to understanding the frequency and formality of professional inspections. Typically, the age, condition, and complexity of the facility are taken into account, as well as the regulatory requirements of the locality. On a regular basis, your lake management professional will provide visual inspections of the entire facility. If concrete inlet pipes are present, they should also be checked for spalling, cracking, and misalignments. The outlet structures should be checked to ensure that water is properly flowing and that there are no

blockages or damage to the trash rack, if one is present. It is also important to monitor the water level in the pond – an abnormally high or low water level for an extended period of time could be a sign of a serious structural issue. The pond banks, including the dam embankment, should be inspected for erosion and animal burrows. They should be well vegetated with no bare spots. Finally, there should be no woody growth on the dam embankment or within 10 feet of any pond structure since tree roots can compromise the structural integrity of the embankment and can cause cracking, displacement or blockage of pipes.

If potential areas of concern are identified, it is always cheaper to remediate them early rather than to perform costly repairs after the problems become more severe. For wet ponds, bathymetric studies should be performed periodically to document the current storage volume of the facilities and the extent of sedimentation. Likewise, more comprehensive monitoring with annual lake and pond assessments can pinpoint areas of potential concern and facilitate the development of custom solutions. Common solutions include aquatic weed and algae management, aeration, nanobubble technology, biological augmentation, nutrient remediation, mechanical hydro-raking and strategic erosion control. These strategies can be implemented as needed depending on the unique property characteristics, goals and budget of the community.

Each facility is unique and is most effectively managed using a customized approach. A stormwater maintenance professional can help you develop a specific plan that prioritizes the goals of your community, so you can cut down on maintenance and expenses over time.





# BUDGETING IN UNCERTAIN TIMES

By Stephen M. Jones, CPA, CAM

In 2020, everyone is facing economic and business challenges thrust upon us by events beyond our control. Covid-19, Hurricane Sally and Tropical Storm Delta (as of this writing), are situations that must be dealt with as best we can. However, condominiums and HOAs have weathered uncertain economic times previously.

With several tried and true strategies, a group of owners can get through this storm together, and excel! The keys are 1) hard work, 2) stick to the basics, and 3) communication between the board of directors and owners.

Budgeting allows an Association to maintain its property in an efficient, prudent manner over time. This in turn effects property values, quality of life and perhaps safety for all owners.

## Budgeting Basics

The first thing to do is refresh our memory of budgeting as treated by Chapter 718.112(2)(e) and (f), Florida Statutes and the related rules located at 61B-22, Florida Administrative Code. The statute and the rules contain some sound financial advice, but are flexible enough to adapt to changing times.

The portions of statutes and rules cited above are a relatively short read, and make budgeting preparation easier if they are fresh in mind.

The budget is required to state the name of the Association, the beginning and ending dates of the period covered, and must include common expenses stated on an annual basis. Per unit assessment information is vital, as different size units may be assessed at different levels. The documents should be consulted to verify that the formula is accurate.

In times such as this, adding new budget categories can allow a board

to handle the challenges that an Association faces. The new budget items might also be a starting point for discussions with owners.

These might include contingencies for collections and hurricane repairs. Collections are covered later in this article.

As long as funds are spent on common expenses, there appears to be nothing in the statute or rules to prohibit contingencies, or non-statutory reserves. See Rule 61B-22.005(4), Florida Administrative Code. The paragraph states that reserves that are not required “by Section 718.112(2)(f), Florida Statutes, are not required to be based on any specific formula.”

Non-statutory reserves may be set up to fund insurance premiums or land lease fees paid annually, for immediate expenses in the aftermath of a hurricane, for a hurricane insurance deductible, or for other purposes the board deems prudent.

As with statutory reserves, a separate bank account should be set up for a non-statutory reserve. The bank account title should be clear about the intended purpose of the non-statutory reserve.

This clearly delineates to future boards and owners the original purpose for which the account was set up, and

may guide future budget preparation. This might minimize arguments in the future about how the funds may be used, and about the intent of the board setting up the account!

## Statutory Reserves

The statute requires condominiums to compute reserves for roofing, painting, paving and any other capital expenditure or long term maintenance item with a cost in excess of \$10,000.



This seemingly mundane statutory requirement can be leveraged into a benefit for the Association desiring to practice proactive rather than reactive maintenance.

ALL maintenance will be done eventually! The only questions to answer are when and at what cost.

Many Associations do not obtain engineering studies, but the benefits far outweigh the expense! In some cases the estimates for replacement costs are too high. In other instances, the

Association's attention may be directed to a maintenance need that slipped through the cracks.

Hiring a skilled set of eyes to inspect a property annually may be an eye opener to those who look at a property every day. Over a period of time, it is possible for board members or owners to ignore maintenance needs that are presenting themselves gradually, rain drop by rain drop. This fits into the category of a best practice, but an Association may find it essential.

In a condominium, the board of directors is bound by the statute to present a fully funded reserve budget. This may result in proposed assessments that are high at first glance.

Owner input should be sought as to how the Association should meet its short and long term maintenance needs. Owners may want to reduce reserve funding in order to reduce upward pressure on assessments. Some observers believe that a petition to waive or reduce funding should

start with the owners.

However, there is nothing wrong with pointing out the long term impact of waiving or reducing reserves. Board members are held to the same standard as that of an ordinary, prudent business person. Sometimes this means a balancing act between seemingly competing objectives.

In an HOA, a similar process takes place if the developer set up reserves at the formation of the development, or if

*Continued on page 10*

Continued from page 9

owners voted to fund reserves at a later date. Reserves are not necessarily required in an HOA. However, a strongly worded notice is required with the budget if reserves are not being maintained, or if reserves are being waived or reduced.

### The Business Climate

The second step to budgeting is environmental scanning – a process that many business people employ constantly. This involves remaining informed about current business and economic events, and the general investment climate.

Some questions to consider when budgeting are: What external factors are affecting the association? What plans do local utility providers and other vendors communicate for possible rate increases? How do construction costs behave in uncertain economic times?

Proper, ongoing environmental scanning results in more reliable budgeting, and may reduce the tendency to budget in a manner designed to arrive at a desired level of overall assessments.

In times such as this, it may be possible to commence a large maintenance project as contractors accept lower gross profit in an attempt to cover fixed costs. However, due diligence is even more vital when selecting a contractor in this environment!

Contractors may be experiencing cash flow problems, which might affect the ability to complete a project. In the construction industry, work normally must be “put in place” before payment is made to a contractor. Therefore, the contractor’s financial position is even more important!

Try to assess information about a contractor’s cash flow condition and track record. Search the public and court records for your county and adjoining counties for signs of any problems. Ask for references and check them. Check your

prospective contractor’s relationship! Are they in business with a prospective supervising engineer? Ask questions!

Perhaps most importantly, ***do not ignore wide or unexpected bid spreads!***

### Insurance

The statute requires Associations to carry property insurance, and the consequences of not doing so are very obvious! Unfortunately, many Associations are experiencing premium increases of 20%-25% even before Sally and Delta.

With some effort, there are methods to deal with premium increases. Communicate with owners as soon as possible, and inform them of the possible impact on assessments.

A strategy that may yield benefits is selecting an insurance agent who specializes in c o n d o m i n i u m

coverage. If your Association has not changed agents in years, there may be benefits to looking around.

Such an agent who specializes in condominium insurance may be able to obtain coverages that the Association previously was without, and possibly without an increase in premium. An agent with intimate knowledge of the exclusions and riders affecting condominium insurance might be very helpful.

Consider changing the renewal date of your Association’s insurance coverage to winter time. This may avoid an effort to obtain coverage when tropical storms are active. This strategy also tends to lock in premium cost for an entire tropical storm season.

For example, if a very severe tropical event happens in July, policy holders renewing in August or September may face unpleasant news. A winter renewal date may avoid or mitigate this scenario.

### Collections

If one or several owners are late in paying assessments, the Association may experience tight cash flow. This can particularly effect Associations with a small number of units. Adding a collection contingency recognizes that other owners need to take up the slack to keep the lights on, the grass cut, and the insurance premiums paid!

Acting promptly, proactively and consistently is the best strategy for collections. In the interest of owners who are paying assessments, the Association should avail itself of legal means to collect.

A practice that seems to yield results is to mail a first reminder notice to an owner who misses a due date. Snail mail still has more impact in many cases!

If no payment is received, send a second, more strongly worded notice via certified mail when a second due date is missed the

following month.

This communicates to the owner that an Association is operating in an efficient manner, and that unpaid assessments will not fall through the cracks. Some debtors simply do not want to think about their situation, and this serves as a vital reminder.

If no payment is received by the third month, the account should be turned over to a Florida licensed attorney for collection activity. Unfortunately, this may include recording a lien, and eventually foreclosing the lien.

However, the collection process requires strict notice requirements, all of which should be handled by the attorney. Managers, board members, and owners should not communicate about the debt with an owner whose account is in collection status.

With eviction and foreclosure moratoriums in place this year, collection efforts may entail entering into a payment plan with an owner. However, Florida’s moratorium expired on October 1. Whether it may be renewed is not known.

It is also unknown if the current economic situation will eventually resemble that of 2007-2010. A single one or two day blip in the credit or capital markets could put us on such a course!

Being prepared and proactively following some simple steps will put an Association in the best position possible in any economic scenario. In any collection matter, follow the advice of your attorney!

### Attorney

An attorney who specializes in the practice of law as it relates to community associations is a valuable business partner for any Association. As one attorney said, community association law “is not something you dabble in!” Obtaining proactive legal advice is always a best practice, and may avoid headaches later. Before taking action on many of the subjects in this article, please consult an attorney, preferably one familiar with your Association.





# CAM'S CORNER

## GETTING TO KNOW OUR COMMUNITY ASSOCIATION MANAGERS

New Quarterly Feature!

### An Interview with Mike Wray, CMCA, AMS, PCAM

#### *How did you start your CAM career?*

After retiring from the military, I started a handyman/remodeling business and ran it for several years. I often thought I might enjoy hotel maintenance, so when a condo maintenance position came along, I jumped at it. The CAM was not on-site where I worked, so in addition to being the maintenance manager, I served as the CAM's on-site assistant. When our company contracted to open and manage a new beach resort, my boss approached me about getting a CAM license and managing the property when it opened. I agreed, and he mentored me through the process of getting a Florida CAM license and then eventually a CMCA, AMS, and PCAM.

#### *What was one of your favorite communities to manage and why?*

We discovered that I had a knack for opening newly constructed high-rise resorts. Typically, I would start while the towers were still under construction and stay with them through developer turnover. En Soleil Resort in Panama City Beach, which I opened in December 2002, is my all-time favorite. Like every new community, it had issues, but the board and the owners were, for the most part, reasonable, patient, and understanding. It was the smallest beachfront resort I ever managed, and it was also the most beautiful, in my opinion.

#### *What was one of your biggest challenges as a CAM?*

Disgruntled owners! I love the business part of association management but dealing with upset people was always my biggest challenge. (I'm sure I'm not alone.) Fortunately, at every community I managed, I had a fantastic staff that helped me deal with owner issues. Along that same line, I preferred dealing with developer-controlled boards



because it was usually much easier to get them to make decisions and solve problems than it often was with owner-elected boards.

#### *How was CAI helpful in your career?*

Networking and education. Monthly luncheons, chapter-sponsored continuing education courses, formal CAI courses, and the annual national conference were all valuable places to make new contacts and learn how others dealt with daily challenges. I was on the NGCC board of directors for several years and served as chapter president in 2008. Most of the chapter's activities at that time centered around Bay, Walton, and Okaloosa counties. One of the chapter goals, when I was president, was to reach out to the entire North Gulf Coast region, from Pensacola to Tallahassee. We held socials and lunch meetings there to try and spark more involvement, which helped expand our manager network.

#### *What are you doing in your retirement?*

I just published a fiction book about a made-up resort in Panama City Beach, where the CAM has his hands full dealing with a rogue treasurer who is using his position to enrich himself. I fooled around with the draft, off and on, for almost a decade. After retiring last year, I dusted off the manuscript and let a few friends and family read it. One of those friends offered to edit it, and a family member, who retired from a major publisher, offered to typeset it and design the cover. I accepted their offers and finally published the e-book version at the end of May and the paperback version in mid-September. The book is entitled *The Condo Crook*, and it is available on Amazon.com (item number B089FLWCL7).

## CAI- FLA LEGISLATIVE UPDATE

By Rita Raus, CMCA, AMS, PCAM

The 2020 legislative Session was a mixed bag. Our bill did not make it through, with COVID taking over the latter portions of the session. We will be promoting items from the bill, polished up, this year.

In 2020, we had success in blocking the vacation rentals bill. CAI is a strong believer in "home rule", i.e., Associations have rules & regulations to which owners' have contracted, and associations must

be able to enforce those agreements, regarding rentals, as well as everything else.

The Emotional Support Animals bill passed and was signed by the governor. With CAI-FLAs help, the bill was fine tuned to be in total agreement with FHA, HUD, ADA and all Federal regulations, while adding penalties for those who attempt to abuse the law.

SB476 was passed early in the session. This

legislation states the law enforcement officers and first responders may park their official vehicles wherever they would be allowed to park their private vehicles.

SB140, The Fireworks bill, applies to HOAs and municipalities, but not to condos and coops. It allows that fireworks must be allowed on three designated holidays, New Years' Eve, New Years' Day and 4th of July, unless the original documents of the

association deny it.

SB374 Discriminatory Association Language, makes it easier for boards to remove discriminatory (illegal) language from their documents without requiring a vote of the membership.

FIGA legislation would increase the guaranteed amount of insurance for condo units to \$250,00 from the \$100,00 baseline that has been in effect for 50 years.

# CALL FOR CANDIDATES FOR THE 2021 ELECTION OF DIRECTORS

The Inspectors of Election, LLC (TIE) has been appointed as the facilitator and oversight authority for the Chapter's election of Board Directors.

We are pleased to be involved with this election. As a part of our services, we are putting out a "Call for Candidates" to fill the open positions on the Board. This election has five (5) open positions. There are two (2) three-year terms for Business Partners, two (2) three-year terms for Community Association Volunteers (homeowner leaders) and 1 (one) two-year term for At-Large Members. Service will begin January 2021.

This is your opportunity to get involved and support your Chapter!

>>To run for a position on the board of directors please fill out the online candidate form at [www.tieivote.com](http://www.tieivote.com)

Username: NGCC  
Password: 30794

To be included as a candidate, the online form must be received no later than **5:00 PM on October 16, 2020**. The Information provided will be presented to the members exactly as provided to The Inspectors of Election.

The Board's nine (9) members are responsible for the Chapter's policy and governance. The minimum board category composition shall include two (2) Community Association Volunteers, two (2) Community Association Managers, two (2) Business Partners, and three (3) At-Large Members. To ensure there is equitable representation of the membership on the Board, only one representative (including principals and employees) from a member firm, association, company or organization is eligible to run for, or sit on, the Board at any one time.

**Ideal Candidates:**

- Must agree to help further CAI's

mission and strategic plan.

- Must be a current CAI and NGCC member in good standing.
- Must commit to attend all board meetings.
- Must agree to attend the monthly luncheons in at least one of the areas within our Chapter footprint.
- Must agree to serve on at least one committee and attend all meetings of that committee.

Individuals interested in serving on the Chapter's Board of Directors must submit a completed Form and a brief biography, as described above no later than October 16, 2020. The Nominating Committee will then review the applications and qualified candidates will be notified and placed on the ballot. The Nominating Bio's will be posted for electronic voting, as presented, for our members to view.

Balloting will begin on November 4 and voting will end on December 4th.

At one or more of the November luncheons, you may introduce yourself and present a short three minute bio about yourself and why you want to serve on the CAI Board of Directors. The dates are November 10th at the Destin Luncheon, November 18th at the Panama City Beach Luncheon and November 19th at the Perdido Key Luncheon. If in-person meetings are not held, there will be dates announced for Video Conferencing for candidates.

For more details, contact Kathy Barber, Chapter Executive Director at [ed@cai-ngcc.org](mailto:ed@cai-ngcc.org) or 850-797-3472 or you may contact any CAI North Gulf Coast Chapter Board Member.

Sincerely,  
Kurtis Peterson, CMCA  
The Inspectors of Election  
[info@tieivote.com](mailto:info@tieivote.com)



## COMMUNITY ASSOCIATION VOLUNTEER LEADERS

Lynn Voss  
Panama City Beach Vacation Owners Association, Inc.  
Panama City Beach, FL

Courtney Minailovie  
Holley by the Sea Improvement Association  
Navarre, FL

Mike Kennedy  
Holley by the Sea Improvement Association  
Navarre, FL

## MANAGERS

Brenda Ellis  
Jay Purut  
Rickey Turner  
Susan Daniels, Property One, Inc.  
Ike Frady, Sterling Beach Owners Association

## BUSINESS PARTNERS

Suncoast Aluminum Furniture, Inc.  
Fort Myers, FL  
Cohen Law Group  
Maitland, FL  
American Building Contractors, Inc.  
Burnsville, MN



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