

# Community Matters

FALL 2011

## COMMUNITY SPOTLIGHT: CENTRAL PARK, A MetroWest Condominium



Nestled in Orlando's Metrowest community sits Central Park, a 400-unit condominium community with beautiful oak trees. When CMP began managing this condo conversion, Central Park was beginning to show signs of an aged facility.

Faced with the economic downturn and a staggering delinquency rate, the Board of Directors chose not to let their community fall into decay. Associa CMP, on-site manager Nancy Stout, and the Board implemented a strategy to ensure that their community would not mirror the dozens of other area condos falling into disrepair as a result of collection issues.

They immediately took action by launching an aggressive collection policy. Every tactic from placing the delinquency at a collection agency, to filing an association lien foreclosure was employed. Owners, many of whom were investors, quickly learned that the Board meant business. "No pay - no stay."

Finally, the Central Park team was able to take a breath knowing that their delinquencies were improving and cash was coming in.

But there's no rest for the weary - enter the City of Orlando Code Enforcement... Among the 60 pages of issues that Code Enforcement required Central Park to remedy were load bearing beam replacements in 43 buildings, welding repairs and rust removal from stairwells in 40 buildings, tree trimming, replacing gutters and down spouts, dryer vent cleaning, leaks in water spigots and painting of all structures, just to name the big ones! How was the association to pay for these long-standing deferred maintenance issues?

A special assessment was certainly one avenue, however, the Board knew that many of the owners in Central Park were already facing financial strain. Understanding that a Special Assessment would create further hardship for their residents, the Central Park team illustrated some "out of the box" thinking. Wherein many associations would perceive this as an adversarial situation, the Central Park team immediately "partnered" with Code Enforcement.

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# COMMUNITY SPOTLIGHT: CENTRAL PARK

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Communication and meeting some early deadlines grew a level of trust with Code Enforcement. As a result, many deadlines were extended. They utilized collections programs and Workforce Central Florida programs and brought the work “in-house”. It is estimated that Central Park saved approximately a million dollars due to the “out of the box” thinking by the Board and CMP.

.... And to top it all off, on April Fool’s Day of this year, Central Park was awarded the “Trendsetter Award” for their financial innovation at the Communities of Excellence Awards that was held by the Florida Community Association Journal in Hollywood, Florida! No Joke!

We are proud to manage Central Park and of manager Nancy Stout!

## PROTECTING OUR ASSOCIATIONS

By: Suzan Kearns, CMCA®, President

Community Management Professionals (CMP) has had a policy for many years to only contract with insured contractors for the performance of work on CMP managed communities. We have defined “insured” as meaning that the contractor carries general liability **and** workers’ compensation insurance. We feel that this policy of utilizing only fully insured contractors provides the very best protection for your association, individual board members and CMP.

In reviewing this policy recently with our community association managers, it was noted that occasionally Boards insist on utilizing contractors that do not have workers’ compensation insurance because they have an “exemption”. In our opinion, this decision carries some potentially grave consequences. Please allow me to share with you a potential scenario that could have disastrous financial

consequences for you personally, as a Board Member, as well as your association.

“An uninsured “contractor” is seriously hurt while providing service to your community. His attorney advises him to claim that he was working as an employee of the Association so that he can obtain workers compensation benefits. The Association does not carry workers compensation insurance because the Association has no employees. The court rules that the Association was acting in the capacity of an employer and awards total permanent disability benefits. (This could amount to hundreds of thousands of dollars). The Board is required to pass a special assessment in order to fund the judgment. The owners file suit against the board of Directors (individually) for negligence. Directors and officers liability policies do not provide coverage for “failure to insure”. The owners obtain judgments against the individual Board members. To add insult to injury, the Board member must pay all of their own defense costs in addition to the amount of the judgment.”

This is a very ugly story, but it is one that could come true.

Often Boards are tempted to select an uninsured contractor because of a lower contract price. As you can see from the scenario above, the Board’s desire to save money for the Association can have catastrophic consequences.

Many small contractors will indicate that they are “Exempt” from purchasing workers’ compensation insurance by the State of Florida. This may be true; however, this exemption only applies to the owner of the business. If any of his helpers come onto the job site to provide assistance, the Association is once again at risk in the event of an injury to the helper. In addition, the contractor may not be legally required by the State to obtain workers’ compensation insurance however, this exemption provides little, if any, protection to the Association in the event that an owner or helper is injured while working on the community.

***Please help us protect your association and you personally by insisting that all contractors working on your community are fully insured.*** I also encourage you to discuss this matter with your association’s legal counsel for additional clarification of the potential legal consequences of utilizing uninsured contractors.





# AssociaLiving.com

AssociaLiving is a fun and insightful online magazine created specifically for our Associa communities and homeowners.

A resource of useful and inspiring information for residents and community associations across North America, AssociaLiving includes relevant stories about Entertaining, Home, Practical Living and Community, each geared toward enriching our homes and building stronger community associations.

Sign up for AssociaLiving ([www.associaliving.com](http://www.associaliving.com)) to get great recipes for fall or to discover activities for the whole neighborhood. Keep reading to be inspired with holiday decorating ideas or to learn the ins-and-outs of weatherproofing your home. AssociaLiving has something for everyone in your family and community.

For those everyday clever ideas, visit AssociaLiving's Neighborly Notes blog. Neighborly Notes provides quick and savvy ideas to help make your home a happier,

healthier and more efficient place to live. Blogger Carol, like many of our homeowners, juggles a life comprised of many roles: spouse, parent, child and working professional, to name just a few. She has hectic days like everyone else, but no matter where they are spent, she ends them all at the same place: home. The editors of AssociaLiving hope the helpful tips and tricks about everything from organizing things around the home to entertaining with a twist will help make your days run a little smoother.

Celebrate the best of community living.

Visit [www.associaliving.com](http://www.associaliving.com) and sign up to get the latest ideas in Home, Community, Entertainment and Practical Living.

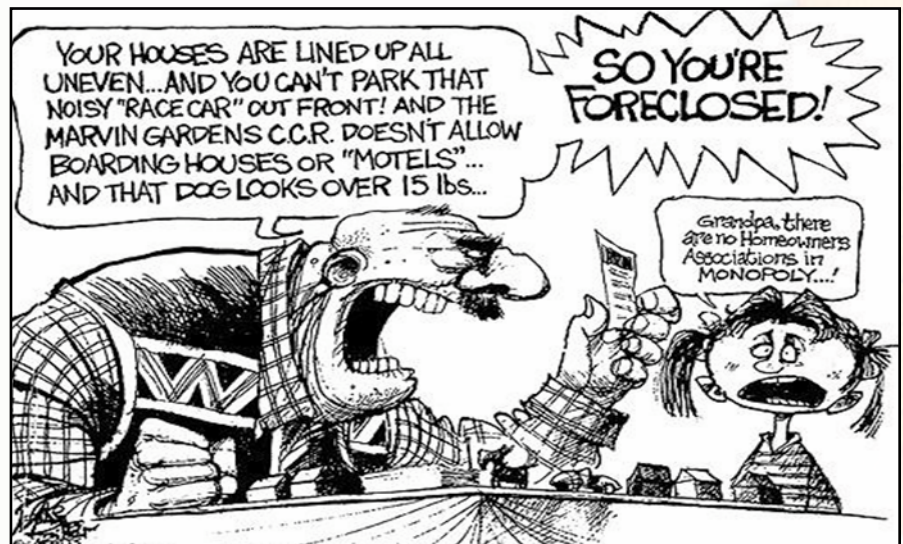


## EVEN NASCAR DRIVERS GET HOA VIOLATIONS

**TODD BODINE** is a NASCAR driver and an HOA member. He is a fan of tiki huts and pool houses and constructed both on his property. After four years of dispute and litigation the North Carolina Supreme Court sided with the association. The association claimed the additions were not approved and had to be removed.

Bodine argued the HOA President gave him verbal approval; the HOA argued the President did not and any permission was contingent upon Bodine submitting drawings and information.

It is important owners follow guidelines for making property changes and installations. The two sides in the example above each spent thousands of dollars on legal fees. In Florida, the homeowner would have to pay the HOA's legal fees if the HOA won. It's not worth the money or the stress.



# Birth of Community Management Professionals

By: Sue Carpenter, CMCA®, AMS®, PCAM®

CMP was actually founded in 1988 when I was working in Daytona Beach. As an independent contractor I was consulting with ITT Palm Coast to certify their out of state budgets for new communities and help with other studies. I needed a corporate entity for that work. Over the years I, through CMP worked with the State of Florida, area colleges and CAI groups to provide continuing education for managers and directors.

In 2001 the Lord opened a door for me to go full time with CMP. It was an opportunity with all aspects of opening a business falling into place as if they had been put there waiting for me. We grew by word-of-mouth from 900 to 6,000 sq ft of office space in about 3 years. Our goal had never been to be large but to remain a size which allowed us to give a higher level of service because I felt that was the missing ingredient with area management companies.

Being single with family out of town I truly had no one (or a plan) in place to keep the company operational if I was unable to continue working or wanted to retire. Associa found me and I know

the clients and our staff are better for it. There simply is no other company that can provide the financial backing which allows some of the services we can provide to our clients such as a free major discount program and free concierge service. I love that! Of course that's just the tip of the iceberg. There's so much more ... employees have fantastic benefits (which means little or no turnover). I still have a job with CMP and couldn't be happier. I love working,

I've been asked to tell a little about myself: I started as a legal secretary and worked my way thru school to get a business degree. I learned community management in its infancy (1980) in Miami and after the death of my mother moved back to Tallahassee to be near family. Realizing state work was not for me I accepted a job with Sawgrass and TPC in Ponte Vedre just before it was sold by Disney. After the sale senior management was replaced and I landed in the timeshare business as a general manager. As GM I managed the hotel portion of the resort as well as restaurant/lounge and golf course. Personally, I prefer managing



communities to restaurants/lounges and golf courses.

In the past I raced Corvets in NCCA competition and showed them in Concourse. I've even been on the track in Daytona! Great time! My interests now are much calmer. I adore being with my 2 toy poodles (GiGi and Raven) and working with animal groups. Currently I serve on the Animal Services Advisory Board and the Parks & Recreation Advisory Board in addition to the UF/ Orange County Agricultural Advisory Board for Neighborhoods. Gardening is my stress reliever. I try to take a Bible course each quarter at First Baptist Orlando (Academy of Christian Training & Service) and love travelling to Biblical countries or on mission trips. I have truly been blessed in life.

Welcome  
to CMP!

NEW COMMUNITY:

Fells Cove Homeowners Association

NEW EMPLOYEE:

Peggy Baker