

FALL 2011

Lewis Management Resources

LETTER FROM THE PRESIDENT

BUYER BEWARE



MOST PEOPLE UNDERSTAND WHAT A COMMUNITY ASSOCIATION IS, whether it's a condominium with a maintenance-free lifestyle or a package of services and amenities where you share the "estate of a millionaire" at a fraction of the price. Every year, nearly 40 billion dollars is collected and spent in community associations. But the overall structure exists in an unregulated industry that I call the Petri Dish. Here's how it works.

You have untrained, elected volunteers (the Board) and unregulated, uncertified practitioners (the Manager). You sprinkle a little of each into a "petri dish" (Association) and wait to see what grows. Maybe it's a beautiful flower or maybe it's something oozing over the side. Every time the ingredients change, the petri dish is affected.

At first blush, you are compelled to believe that such a massive real-estate scheme would have to be regulated at some level, whether state or federal. Not so. And while the industry's largest trade organization, the Community Associations Institute, strongly promotes manager education and certification, there is no mandatory test that must be passed, or credential that must

be earned and maintained. As for board members, while courses and orientations are available, the number who partakes of them is woeful.

About ten years ago, CAI developed a national test that measures basic knowledge any association manager would need to be considered a qualified practitioner. I have proctored this test many times and I can tell you it would be impossible for an inexperienced person to pass it. And while tens of thousands hold this designation (Certified Manager of Community Associations / CMCA), most board members have no idea it even exists.

California, Nevada and Florida do provide for manager certification, but again, it is not mandatory. An uncertified manager can still ply their trade as long as they disclose to the board that they are uncertified. This is similar in nature to hiring an un-registered contractor. So...buyer beware.

W. Grant Parker, CAAM, AMS®, PCAM®
President and CEO
Lewis Management Resources, Inc.

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BOARD RESPONSIBILITIES

MAINTENANCE OF COMMON AREA

AMONG THE BOARD OF DIRECTORS MANY RESPONSIBILITIES TO REVIEW FINANCIALS, BUDGETING AND ENFORCEMENT OF THE GOVERNING DOCUMENTS IS ALSO THE RESPONSIBILITY OF ENSURING THE COMMON AREAS ARE MAINTAINED.



From the smallest job to largest the Board reviews the needs of the Association and must decide who will perform such tasks efficiently and cost-effective for the community. The first step in maintenance of the common areas is choosing what services need to be performed. With the help of your professional association manager the Board will decide the criteria for the services needed. In order to choose the correct contractor for any particular maintenance need, the communication to the contractor needs to be clearly defined. The types of contractors needed to maintain the common areas and elements generally fall into these categories: ongoing service, specific repair and preventive maintenance. Also, five important provisions should be included when a contract is needed for maintenance requirements in the community.

1. All parties in the agreement should be clearly defined, with names and addresses included.
2. Contract of agreement should set forth all terms and requirements of both parties.
3. Every contract should contain specifications that outline exactly what work will be done.
4. Maps, photographs, surveys and drawings should be used to show exactly where the work will be done and what the work will be.
5. All contracts should contain the contractor's insurance certificate naming the Association as the additional insured. Warranties should include the length of the warranties, specifications of warranty and any situations that would void the warranties.

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THE SHELL GAME

JASON MARX CMCA, DIRECTOR OF CLIENT ACCOUNTING

The 2011 year is coming to a close, budgets should be approved and 2012 business is right around the corner. This is a good time of year to start looking at association investments and setting up an investment plan. Overseeing the funds for a community is a serious responsibility and Lewis Management is here to help. A few things should be considered before investment decisions are made.

- All deposits should be insured.
- Funds should be distributed so sufficient liquidity is maintained for both normal expenses and emergency use.

- Expect a reasonable rate of return on investments.

Compared to other types of corporations, HOA accounting is straightforward and transparent. The investment portfolio and balance sheet should reflect this. If you are a board member and would like more information about HOA investment opportunities contact your association manager or bookkeeper.

The accounting department at LMR is now entering the busiest time of year. From November through April, we will be doing the following tasks in addition to our regular weekly and monthly duties:

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The projects that require the detailed review and adherence noted above are relatively expensive. These include seal coating of streets, repair or replacements of restricted access gates, landscaping, and pool/spa maintenance.

From time to time the HOA Board will need to hire a handyman to perform some relatively small- to medium-sized maintenance tasks. Condo or Cooperative Associations may have a full- or part-time handyman on site to perform smaller tasks such as changing out light bulbs, unclogging a toilet, installing a new lock, cutting keys for the pool area or any number of tasks that do not need a professional general or specific contractor. Townhome or single-family HOAs generally do not have the resources or the need to employ an onsite handyman for this type of work. These projects usually need to be performed quickly since owners in most communities have little patience for a dark ramada, missing basketball nets, clogged toilets or graffiti in their community.

Why hire a licensed plumber to unclog a toilet or replace a tank flapper or hire an electrician to change out bulbs, replace light fixtures or photo cells in the common area? General handymen that are dependable and retain their business long enough to warranty their work are hard to find. Many small one-person companies are not insured and this puts the HOA at risk should a worker get hurt on HOA property. The ideal situation would for the Board to be able to call on the management company to provide such tasks by having the association manager simply fill out a work order to dispatch experienced maintenance technicians that the Board knows they can trust to do the work efficiently and cost-effectively.

Lewis Management Resources' Maintenance Division is fully-staffed, insured, and available to respond to such projects in a timely manner. LMR fully warranties the work and the maintenance technicians report directly to the manager when

the project is completed. The reports are provided to the Board and homeowners at the scheduled Board meetings. Lewis Management Resources has been in business in Tucson since 1994 and is also a member of the Better Business Bureau. A Board can take comfort in knowing LMR will be around long after the project has been performed.

The Maintenance Division is available to service any number of the maintenance needs quickly and at a more reasonable cost than a general contractor or specialist. While the maintenance crews provide service projects for the common areas, they are also available to work for individual homeowners for various types of handyman projects. The work is warranted by Lewis Management to ensure completion of a project that results in the client's satisfaction.

The Lewis Management maintenance service capabilities are not limited to smaller jobs. Our Maintenance team can provide regularly scheduled janitorial, pool, spa, and lighting maintenance within a fixed monthly contract amount. The Maintenance Division Supervisor, Stuart Fries, can provide detailed, accurate, and very competitive bids for larger projects. Stuart is also available to attend Board meetings in order to answer questions or meet onsite to address the specifics of a particular project.

The Board of Directors along with the Association Manager work together to provide the best possible resources for continued and one-time maintenance needs in the community. In doing so they ensure that homeowners are proud of their community and that property values are not reduced due to poor maintenance of the common areas. Lewis Management Resources' commitment is to serve every client, every day, every time!

Story by:

Pamela Lakey CMCA,AMS,PCAM Senior Association Manager

- Enter budget revisions and order coupons for 2012
- Begin a full internal review of 2011 financial statements and make year-end adjusting journal entries. This is followed by a financial statement review and approval by the Association Manager and distribution to Board members.
- Inventory and organize 2011 hard copy files (accounts payable, cash receipts and financial statements including bank statements and reconciliation reports).
- Coordination of tax return preparation activities (financial statements must be prepared and provided to the CPA by January 31, 2012 in order to meet the corporate tax filing deadline of March 15, 2009).
- 1099 vendor review, form processing, distribution and filing

(all unincorporated vendors who are paid in excess of \$600 per calendar year by an association must receive a 1099 form (-similar to a W-2-) that is also filed with the IRS to ensure income disclosure by the individual vendor).

- Coordinate the required annual Audit/Review/Compilation documents and forward them to the CPA.
- In the middle of all of this activity, we'll find some time to relax and enjoy the upcoming holidays. With that thought in mind, our entire department would like to wish you and yours a wonderful holiday season!



LMR RAISES OVER \$27,500 TO BENEFIT ASSOCIA CARES

BY LEE-ANNE PALIN, DIRECTOR OF OPERATIONS



ASSOCIA CARES FUNDRAISER WAS A SUCCESS!

On Saturday, November 5th, LMR held a gala event with the proceeds benefiting Associa Cares. This was our 2nd annual Casino Night presented with a Wild, Wild West theme. The Savoy Opera House here in Tucson was the perfect venue for our event since it's located in "Trail Dust Town" and consists of an entire main street area constructed with an Old West theme.

Our sponsors donated \$21,000 to help make this a successful event. We had many silent auction items and most were donated by our own LMR staff. Top casino winners were awarded an iPad, the new Kindle Fire and a \$150 Visa Gift card. A highlight of the evening was locking people in a jail constructed by our maintenance staff. The sheriff escorted people to jail where they awaited bail or served their time. Associa's own Carole Murphy honored our event with her attendance and held a high dollar bail when she was locked up as did CEO Grant Parker and Vice-President Barbara Daoust.



TO DATE THE LEWIS MANAGEMENT ASSOCIA CARES COMMITTEE HAS GIVEN BACK OVER \$32,800 LOCALLY TO VICTIMS FROM ALL OVER SOUTHERN ARIZONA.



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) 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 and sign up to get the latest ideas in Home, Community, Entertainment and Practical Living.



We here at LMR are most excited at our success and more so that we doubled our proceeds from last year's gala. Our hard work paid off! This year our committee was comprised of: Amber LeClair, Amy Kent, Anna Gallardo, Daniel Encinas, Heather Plunkett, Jena Carpenter, Katie Selsor, Kolleen Weber, Lee-Anne Palin, Linda Lenois, Pam Valentine, Stacy Reilly, Stephanie Lantto, Stuart Fries, Committee Chair: Jason Marx, Corporate Committee Member: Lisa O'Neill.



We have been able to assist many families in Tucson and will continue to do so. It is events such as this one that fund Associa Cares' contributions to disaster victims in our community.



To date the Lewis Management Associa Cares committee has given back over \$32,800 locally to victims from all over Southern Arizona. One of our proudest moments was a gift to the American Red Cross of \$10,000 to help victims of the Monument Fire in Sierra Vista. Most recently we were able to expedite accommodations for a mother and her 2 small children, while dad was deployed with the US Air Force after Rancho Sahuarita was hit by a massive rain storm.

Thanks to all who attended and donated. Special thanks to our Diamond Sponsors: AAA Landscape, Complete Landscaping, Pinnacle Restoration and Saguaro Environmental.

It is amazing that a few people getting together for a night of fun can help so many people. You can still donate by simply visiting the website, or contacting our office.

www.associacares.com

Thank you to the wonderful sponsors of our Associa Cares Wild Wild West Casino Night

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J. TODD LUNDERING
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