



The RegenesiS Report



National Edition Innovative Homeowner Association Management Strategies Priceless

RegenesiS means making new beginnings using eternal principles in innovative ways.

RegenesiS believes that the goal of every homeowner association board should be to promote harmony by effective planning, communication and compassion.

The RegenesiS Report provides resources and management tools for just that purpose. Every month, articles of common interest to homeowner associations nationwide are offered along with innovative strategies for addressing common problems.

Managing an HOA can be a lonely and frustrating task. Take heart. Help is on the way.



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Bogged Down Board

“Now I saw in my dream that...they drew near to a very miry slough that was in the midst of the plain; and they being heedless, did both fall suddenly into the bog. The name of the slough was "Despond." Here, therefore, they wallowed for a time, being grievously bedaubed with the dirt.”

The Pilgrim’s Progress by John Bunyan

An interesting phenomena that occurs from time to time in an HOA is a board’s inability to break with the mistakes of the past. Longtime infighting and discontent has created malevolent stagnation. Recrimination abounds, credibility is lost and the board flounders in its own Slough of Despond. This HOA is stuck in quicksand that is sucking the life and joy out of the community.

To those so entrenched, it may just seem business as usual. Another board meeting, another shouting match and little gets done. Adrenaline pumps, hearts and fists pound. It’s Friday night at Pro Wrestling. It’s Gettysburg with brothers and neighbors locked in mortal combat against each other.

Okay, quick! Show of hands. Who wants to volunteer to serve on the board? [sound of crickets] No, really! We need you to step up. [sound of pin dropping] Nobody? I’ll *never* get off the board!

Effectively, an HOA like this plays out a self fulfilling prophecy. And tragically, getting bogged down like this is not all that uncommon. Some folks love to dwell on the past to keep others off balance. It’s a form of control that keeps things in a brouhaha. But who in their right mind wants to play the game for long?

In this slough of despond, however, is a great opportunity. Learning from past mistakes is some of the best education there is. *Dwelling* on them is fatal. If the board is in a dwelling place, it will take a strong decisive action to break free. Here are some of the ways:

❖ **Mediate.** Get some objectivity into the mix with a trained mediator. These folks can often sort out heated issues and

personalities to forge compromise. There are usually a number of inexpensive mediation alternatives in every city, some are even free.

❖ **Board Retreat** Having a retreat to discuss concepts can be helpful in getting repointed. It’s advisable to include a facilitator who ensures that all get heard and that the discussion doesn’t degenerate.

❖ **List of Goals** Having written goals helps the bogged down board stay focused on its mission.

❖ **Written Agenda** If your board meetings are agenda-less, they can easily be twisted into personal agendas. Have a written agenda and a tight time limit for getting it done. Stick to it and opportunities for disorder will vanish.

❖ **Purge the Old Guard.** Some people simply are too inflexible to change. They should be encouraged to step down. If they refuse, start campaigning new blood for the next Annual Meeting election.

The board has significant responsibilities to grapple with. Making them as pleasant as possible is the only way to attract and keep good volunteers. If your board is bogged down with infighting and personal agendas, it’s time to redirect the action.

Learn, not burn, from past mistakes. 🌱

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Ask the HOA Expert

Q We had a water pipe break in a common wall which flooded two units. The HOA has no policy about common wall water problems and both owners are looking to the HOA to repair both the plumbing and the unit damage. What do you advise?

A If the leak came from a common water supply line, the HOA should fix the plumbing. If the leak came from a supply line serving only a particular unit, that unit owner is responsible for fixing the leak. The plumber should be instructed to determine which it is when performing the repair.

However, even if the leak came from a common water line, it doesn't mean the HOA should fix the resulting damage to units unless the HOA was negligent in responding to the plumbing repair in a timely manner. If there was no negligence, the resulting unit damage should be paid for by the affected unit owners or their insurance. The same principle would apply to a leaking roof or errant sprinkler head that did unit damage.

And the HOA is under no obligation to reimburse unit owner insurance deductibles. Some repairs and costs should be shouldered by the HOA and some should be borne by the owners, including the deductible. Most governing documents require owners to insure their unit and personal property for this very reason.

To protect the HOA's insurability, the board should enact an Areas of Insurance & Maintenance Policy which clearly defines by building and grounds component who is responsible, owner or HOA. Since HOA insurance is very broad and will pay almost any claim submitted, this policy will determine which claims qualify.

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An Areas of Responsibility Policy will put both unit owners and their insurance companies on notice of how it works at your HOA so most disputes can be settled before they start. The Areas of Responsibility Policy cannot shuffle responsibility for maintenance or insurance where the HOA clearly is obligated. It simply should describe the dividing line.

A sample Areas of Responsibility Policy is available at www.Regenesys.net in the Policy Samples section.

Q Our board shies away from distributing draft meeting minutes but offers "Highlights" of the meeting to fill the gap. Is this acceptable?

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A Approving meeting minutes can only happen at a formal meeting. Many boards meet quarterly and the Annual Meeting minutes would be approved a year later. The board should either publish meeting highlights or draft minutes which carry the notice "Subject to revision upon formal approval at the next board/annual meeting".

This information should be distributed within one to two weeks. To wait

longer will result in some board or manager actions to already have passed. Sometimes this is no big deal but sometimes it is if the action is new policy or events which all members should be given fair warning of. Distributing the draft minutes or newsletter by email would be free and quick to get the word out.

Q We're getting worn out with self managing our homeowner association. Does a board need a vote of the members to hire a management company?

A Normally the board has authority to hire professional management unless the cost must be approved by the members. Some governing documents limit the amount the board may raise homeowner fees each year. The cost of professional management might exceed that threshold. If there is no such restrictions, the board can make the decision.

Q Is the insulation under the roof considered a common element or an individual homeowner expense? We have a contractor that advises adding insulation under the roof to help prevent ice dams. Would this be an HOA or unit owner expense?

A Roof maintenance is typically an HOA expense in common wall communities and mitigating ice dams would typically be an HOA responsibility. If ice dam maintenance is common and expensive, finding a way to reduce the cost and potential interior damage makes sense and the HOA should pay for it.

Q Our homeowner association's landscaping is looking pretty ragged and needs renovating. Our landscape contractor has offered to put together a design that he will install. Do you think this will work?

A Landscaping is one an HOA's biggest assets. Renovation should be done thoughtfully since you will live with the results, good or bad, for many years, A

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landscape plan is something normally provided by a landscape construction and design consultant, not a landscape contractor. In designing the plan, there are several critical considerations:

- funds available
- plant selection
- ease of maintenance
- drainage correction
- planting bed to turf ratio
- irrigation needs

The landscape design plan should strive to include drought tolerant and pest resistant native species to reduce maintenance costs. Reducing the turf area will significantly reduce water needs and cost. The landscape plan and execution will cost a fair amount of money but the end result will be increased home values and livability. Don't chintz. Hire the best landscape designer you can and spend the money. If you have limited funds, after the basics like irrigation and drainage are covered, phase in the plan over several years starting with curb appeal.

Q Are there any ethical guidelines with respect to HOA managers accepting gratuities from vendors?

A It's not uncommon for vendors to drop off gift baskets and the like at Christmas. These often get shared with office staff and there are no strings attached. Vendors view them as advertising. But a manager accepting things like gift certificates, money, free golf and airline tickets crosses the ethical line. If it's around contract renewal time or if there is a competitive bid process the vendor is participating in, any form of gratuity would easily be construed as a kickback. Even worse is a manager that requires vendors to "pay to play". This is fraud in sheep's clothing since the manager has breached the fiduciary duty owed to HOA clients.

Q We live in a condominium. Several of our members have requested approval to paint their front doors a different color than the other units. Should the board grant their requests?

A Common wall communities derive value from consistent design and look. Glaring variations detract from market appeal and value. But, as time passes, so do consumer tastes. That all-the-rage chocolate brown paint color of the 70s is now a sales detriment.

Rather than have the board or Architectural Design Committee play political football with exterior colors, why not hire a color consultant to update the HOA color schemes and offer some compatible choices? Most paint supply companies offer this service free of charge in anticipation of selling their product. The consultant will provide options while maintaining a unified curb appeal. Have the consultant put together color boards with a number of trim and body color options which the members can vote on. That makes them part of a democratic process on a highly volatile subject. Punt this issue to the professionals and members. 🗳️

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How Insurance Markets Affect an HOA Budget

Predicting stability in the insurance market has been difficult. Even the most tenured agents have not seen an insurance market like the one we are experiencing now. Insurance premiums are increasing at an all-time high, policy coverages are changing, and carriers have higher expectations for insured maintenance requirements. We hoped rate increases were going to level out. However, carriers tell us this may not happen for another year and most lines of coverage will see increases. Some association coverages are experiencing larger impacts to the overall premium than others. Examples of some of those specific coverages include:

- **Earthquake** – Reduced purchase capacity is making it difficult for

insurers to find full limits with affordable premiums. In some cases, earthquake premiums are increasing 30% and yet the coverage is reduced. Because earthquake coverage is not mandatory, boards can review different coverage options and may choose a lower limit instead of a full limit.

- **Liability** – A rise in “nuclear verdicts” (any court award or settlement that is higher than expected) and overall claims activity has caused premium increases and coverage changes with additional exclusions. Excess liability, also known as an umbrella policy, has seen higher increases and limited availability since the tragic 2021 Champlain Towers South collapse in Florida. In the past year, umbrella policy premiums increased about 20%. Communities with higher limits or higher risk activities continue to see larger premiums for liability insurance. These increases can be substantially higher than average.

- **Directors and Officers Liability** – Lawsuits are on the rise. This increases the risk carriers absorb as they defend associations for allegations of wrongdoing. A few reasons for these increased claims include breach of fiduciary responsibility, election disputes, and discrimination. Regardless of a settlement, defense costs to litigate these claims contribute to the financial impact the insurance carrier assumes. As legal costs increase, insurance carriers are taking on higher litigation costs to defend their insured.

By Sara Eanni, CIRMS of ABI Insurance 🗳️

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Seven Deadly Sins

What are some of the ineffective, inefficient and illegal things the board can do to mess up their HOA's,

manager's and own lives? Consider the following seven deadly sins that will prevent a board from entering the Pearly Gates of HOA heaven:

#1 Managing the Management Company. Boards often feel compelled to micro-manage the manager. This is, at best, counter-productive and, at worst, financially wasteful. The board's role is to set policies and the budget; the manager's role is to execute those policies according to the budget. Advice: Pick a good management company and let it do the job it was hired to do.

#2 Following Personal Agendas. Board members sometimes let their egos get the best of them. A board member may not let go of an unrealistic campaign promise or has a personal ax to grind. Advice: Keep the interests of the HOA at the forefront of all board actions.

#3 Holding Ineffective Meetings. Sometimes, board meetings seem little more than social gatherings, complete with gossip sidebars. Boards read the minutes of the last meeting or the board packets at the meeting for the first time or waste time discussing issues that are not even on the agenda. Advice: Prepare in advance for meetings; adhere to a well-planned agenda and budget sufficient time for important agenda items.

#4 Paying a Little, Expecting a Lot Sometimes a board approves the lowest bid contract and then expects the same service that the highest bid contract promised. The extra cost of supervising the lowest bid vendor to ensure the job is done properly is often not worth it. Advice: Expect high performance? Expect to pay more.

#5 Acting Out. Policy-making inspired by anger or revenge creates more problems than it solves. Boards, on occasion, develop and implement new rules to silence a complaining homeowner or to punish an unpopular neighbor. Enforcing these rules can be difficult because they were not reasonably developed or uniformly applied. Advice: Adopt rules and policies with a broad view of the

HOA's interests, not out of emotional reaction.

#6 Disregarding Potential Liability Occasionally a board member exhibits discriminatory behavior. Anti-discrimination laws apply to HOAs and the financial penalty for such conduct can be very expensive. Advice: Keep discriminatory attitudes and actions out of board discussions.

#7 Ignoring Volunteer Contributions Many HOAs have volunteers that serve on committees or handle miscellaneous matters on behalf of the board. Ignoring these efforts discourages volunteers and reduces the available pool of future board members. Advice: Acknowledge the efforts of volunteers at meetings, in newsletters and in person.

So, now that you know the Seven Deadly Sins and their cures, go and sin no more. *By Orten & Hindman, P.C.*

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Burst the Curse

The universe of homeowner associations seems to be a "thousand points of light" all separated by an impenetrable void. Each operates in its own little world inventing and reinventing solutions to problems as they come along or come crashing in. The board members rarely see their job as a privilege but more of a curse, something they got stuck doing because no one else would do it.

Being an HOA director can be one of the most rewarding experiences there is *if* the board takes its role seriously. To work efficiently, systems need to be instituted that address repetitive tasks like financial reporting, meeting minutes, newsletters and maintenance checklists. Having established ways of doing things allows simplification and gradual improvement of each system and easier transition to the next generation of directors. The easier it is to grasp the tasks, the more willing

volunteers are to step forward.

One invaluable planning tool is the **Annual Planning Calendar** which lists meetings, social, maintenance and repair events all on one page. It serves as a handy guide for the board and advises the members well in advance of events to plan for.

Having an accurate budget ensures that the board will have the money to pay the bills and to adequately maintain the common elements. Add at least five percent more to your budget, especially if you are having collection problems. This will provide a cash buffer.

If collections are a problem, it's time to revamp your Collection Policy (or enact one if you don't have one). Collecting money in a timely way is Job One for every HOA. Since there is no government bailout, every penny is needed when it's due. Fortunately, the governing documents and state laws grant HOAs significant collection powers *if* they are used. Collecting delinquencies is one of the key reasons an HOA needs professional management. No neighbor should have to collect money from another neighbor. Doing so invariably alienates one from another and leaves an uncomfortable tension.

Rules that work is a fundamental to organization and community harmony. All rules should be necessary, enforceable and appealable. Enact only those that have all three components.

A multitude of sample policies, rules, procedures, templates and checklists are available to Gold Subscribers of www.Regenesis.net. By adapting them to your use, your systems can be up and running in no time. Get organized and burst the curse. 🗡️

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Three Rules of Debate
Most homeowner association boards

follow Robert's Rules of Order (RRO). If RRO is your parliamentary authority, its procedures are binding except as spelled out in any specially adopted rules of order. RRO has several helpful restrictions on debate:

1. No one can speak more than 10 minutes.
2. No one can speak a second time until everyone who wishes to speak a first time has spoken. The chair can facilitate new debate by asking, "Is there anyone who would like to speak who has not yet spoken?"
3. No one can speak more than twice on the same issue.

Seven Practical Suggestions

1. Announce the adjournment time before the meeting. Members often police the length of their own comments when the meeting has a foreseeable end.
2. List starting and ending times for each discussion item on the agenda.
3. Set the discussion time prior to starting on lengthy issues: "Is there a motion to limit total debate to 30 minutes?" Such a motion requires a two-thirds vote.
4. Encourage new discussion and prevent repetition by asking for speakers who have not yet spoken.
5. Alternate pro and con. After hearing from a proponent, ask, "Is there anyone who wishes to speak against the motion?" Alternate. When no one wishes to speak on a particular side, ask unanimous consent to end debate. "Is there any objection to closing discussion? Hearing no objection, discussion is closed."
6. Ask for a motion to end discussion: "Is there a motion to close debate?" Most parliamentary authorities allow debate to be closed with a two-thirds vote.
7. Establish speaking rules for all meetings by adopting special rules of order with notice and a two-thirds vote. That is, set guidelines to limit the

amount of debate and number of speakers).

Jim Slaughter - Certified Professional Parliamentarian 🗳️

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Dryer Vent Safety

In recent years, there were an average of 15,970 dryer vent related fires per year that caused \$200 million in direct property loss. Many homeowners consider a clothes dryer a necessity. However, improper installation or maintenance of this appliance can pose a serious fire risk. The leading factor contributing to dryer fires is failure to clean lint from traps, vents and areas surrounding the dryer.

Signs of a Blocked Dryer Vent

- Lengthy drying times
- Clothes are hotter than normal at the end of the dry cycle
- Dryer deactivation due to high temperatures
- Increased heat and humidity in the area of the dryer
- Flapper on vent hood does not open when dryer is on

To reduce potential fire hazard:

- Replace plastic and metal foil vents with 4" minimum diameter rigid metal vents.
- Vent dryers to the outside in the shortest, straightest distance possible.
- Insulate the dryer vent to protect it from lower outside temperatures.
- Remind residents to clean the lint filter before or after drying every load.
- Inspect the dryer vent termination point at least annually for blockages, bird nests or the presence of other wildlife.

- Purchase and install a portable fire extinguisher in an accessible area near the laundry room. 🗳️

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Tree Planning

Consider the tree. It is a symbol of strength, durability and beauty. It is universally loved by all and worshiped by many. And what's not to like? It gives shade on a hot summer day and provides a shield against the chilling winds of winter.

Yet, trees require management in urban settings like homeowner associations to be all that they can be. As they age, they encroach on buildings, sidewalks and paving. Branches overhanging roofs do damage and drop leaves clogging gutters. In wetter cooler climates, tree shade accelerates moss and algae growth which destroys roofing and siding. Tree shade hinders bush, plant and flower growth.

These eventual problems often start at the first planting. Developers, as part of their marketing effort, often overcrowd or mis-locate trees trying to enhance curb appeal. Eight to twelve foot specimens are planted tight to buildings, sidewalks and parking. Since the tree stock is small and inexpensive, greater numbers are planted for greater effect.

But time does what time does and those small trees have become a maintenance nightmares. The gutter cleaning budget is getting out of hand and tree roots have lifted sidewalks and broken up paving. Those hazelnut trees are prodigious and someone *swears* they saw **rats** roaming the common area at night feasting on them. The tree cover has gotten so dense that security lighting is totally blocked and residents complaint they need *braille* to find their way from their car to their unit!

The board's response: "Okay, okay,

understood. The trees have gotten out of hand. Let's just cut some of them down." "WHAT?" is the horrified reaction from long time resident and activist Ima Treehugger. "Are you crazy? The trees aren't the problem, it's what they *do*." Indeed.

Time to call an expert. Arborists are invaluable to tree care and management. They have extensive training for species likely to be found in an HOA. Arborists take a long term approach to trees since trees have the longest lives of any living thing. They understand the characteristics of each one, what it needs to flourish and how to keep it pruned for maximum beauty.

With a site plan in hand, an arborist can identify and locate every tree on the property by species, size, age and health. Ideally, every tree should be tagged with an identifying number so that records can be kept on each. With this information, a long range tree care plan is plotted out for pest control, pruning and even removal when trees are too concentrated, inappropriate or poorly located.

An arborist is one consultant that every tree HOA should avail themselves of. With an arborist's tree plan in hand, the board can budget and schedule properly to maintain one of the HOA's biggest assets. Whether planting or planning, an arborist is a tree-mendous asset.

For more, see www.Regenesis.net Specifications section. 🌳

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Gift of Encouragement

Two strangers named Jim and Bill found themselves in the intensive care ward of County General Hospital. Both suffered from life threatening circumstances that left them bedridden. While the prospects weren't good, Jim had a markedly sunny disposition that he regularly shared with Bill.

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Both men shared a room, Jim by the window and Bill near the hall door. Everyday, Jim would gaze out the window and relate to Bill the activity he could see. "Heh, Bill", he would say, "There are two kids and their dog playing in the park. One is throwing a frisbee and, boy, can that dog jump and catch!" or "There are some really beautiful flowers that have just been planted at the park entrance. I think they are pansies, or maybe petunias but they are purple, yellow and blue. There's some bright red flowers mixed in. It's really beautiful!" or "Just look at that couple sitting on the park bench...they look like newly weds the way they hold hands and look into each others eyes!"

Day after day, Jim would comment and Bill would listen. As the days passed, Bill developed a resentment towards Jim because he had the best place in the room next to the window. Although he never mentioned it, this feeling grew stronger every day.

One night late, Bill was awoken by the sounds of muffled coughing. Jim was obviously choking and reached vainly for the Nurse Call Button. Bill listened as the coughing continued but did nothing. In the morning when the nurse made her rounds, she discovered Jim dead.

Several days passed. Bill thought a respectable time had passed to request a move to Jim's window spot. The staff complied and Bill was moved into Jim's old bed. With anticipation, Bill asked the nurse to draw the curtains. When they were opened, Bill stared in disbelief at a solid brick wall.

We are all given more or less life to enjoy or not to enjoy as we choose. One of the true joys of life is the gift of encouragement. How do you rate on the encouragement scale? 🌳

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Uninformed Bliss

A local man spent the better part of Monday afternoon playing baseball with his son, tragically leaving him completely unaware of all the terrible things that were happening in the news. "I didn't pick up my phone for the entire last half of Monday," said Jeffery Bailor, local dad and baseball fan. "The sun was shining, the birds were singing, and Mason and I were having such a great time throwing fast ones at each other I didn't even think to go read about all the stuff on social media that would inevitably have ruined my day if I had looked it up."

Neighbors were shocked to see Bailor blissfully playing in the yard with his teen son when there was so much to worry about happening online.

"Who does he think he is?" asked neighbor Stan Van Wagoner. "I spent all afternoon reading about that terrible disaster in that one place... oh, I forgot where it was but man! You have to stay informed these days because the news cycle changes every five minutes and if you put your phone down you'll miss so much of the bad stuff. I mean, how's he supposed to know why we're all so mad and stuff?"

Bailor came in with Mason at dinner time and didn't pick up his phone until bedtime, only checking his work schedule for the next day. He then kissed his wife, turned off the lights, and slept a solid eight hours like some sort of uninformed Luddite.

The Babylon Bee 🌳

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