

apm NEWS

NEWS, ISSUES & INFORMATION FOR COMMUNITY ASSOCIATIONS - SUMMER 2000

HOW TO CHOOSE AN ASSOCIATION MANAGEMENT FIRM

By John R. Math, LCAM

Prior to choosing a professional association management company, it is wise to have a committee formed just for that purpose. In the absence of a committee, Board members can provide this function as well.

First, the committee should adopt management specifications, which are reviewed by the Board of Directors and agreed to. These specifications will then be used for bidding purposes. The committee should identify potential management firms by prequalifying these companies prior to asking them to bid. Some examples of prequalifying questions would be: 1. Where is the company located? 2. How long has the business been operating? 3. How many employees in the company? 4. What is the experience of the principals? 5. What kind of insurance do they have? 6. Do they have bonding? 7. What type of services can they provide? 8. List of association references. 9. List of professional references. 10. What makes their company unique?

After compiling this information the committee would then determine who would be allowed to bid on the

management of the community. Prior to putting the management out to bid, the Board will take the committee's recommendations and finalize them in written form. These specifications will then be used for bidding purposes. By having written specifications this ensures that there will be "apples to apples" bidding, as all management companies do not offer the same services. Most importantly, the Board needs to decide what services will be handled by on-site personnel, membership volunteers and outside contractors before the final determination is made on what the specifications will be.

The following is a list of items that may be included in the specifications: Liaison with the Board, bidding, responding to resident inquiries, site visits, enforcement of rules and regulations, attendance at meetings, emergency service, mail-out procedures, newsletter responsibilities, collection of assessments, bookkeeping and financial reporting, budgeting, rental and resale approvals, architectural approvals, correspondence and minutes, costs of administrative extras and any other service that would be incidental to your association.

After selecting the items and services that you require the management companies to bid on an invitation to bid should be made with a copy of the specifications, copy of the association's documents, site map and any other items that are relevant to the bidders.

In this bid package there should be a timetable to respond to the invitation to bid, a deadline for submitting bids, the prescribed bid form and arrangements for the management company to visit the community and an opportunity to have any questions answered prior to submitting their bids.

When receiving and evaluating bids it is best to have a prescribed list of questions that will be asked of all bidders in a final interview. Each bidder should be evaluated or graded based on their answers. We suggest having this set up on a matrix form to help grade each company fairly. An association should never hire a management company based on cost alone. Other factors when choosing a management company would be years in business, years of experience, staff experience, location of

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company, office equipment, backup staff, training of staff, administrative system, bookkeeping staff and system and checking of references. Also, check their insurance and bonding coverage and make sure it is compatible with coverage that your insurance agent states that you would need.

Always ask for at least three references for associations that are similar to your association. See who the manager will be on your site and try to meet with them as well in order to see if the Board of Directors will be compatible with this person.

Get samples of their violation and late letters. Copies of their financial statements, delinquent lists. How and when do they pay your association accounts payables?

Overall, make up your own list of problems and concerns for the following areas: administrative, bookkeeping, maintenance, management, operations and community relations. Rate each company based on this list and then choose the company confidently.

Associated Property Management of the Palm Beaches, Inc. is a twelve year old full service association management firm. APM serves more than 90 associations in Palm Beach County. If you have any questions or comments you may contact us at 400 South Dixie Highway, Suite 10, Lake Worth, Florida 33460 or you may call us at 5 6 1 - 5 8 8 - 7 2 1 0 assocpropmgt@bellsouth.net

Ask The Attorney

By Edward C. Dicker, Esq.

Q. *I live up north and I have asked our condominium association to mail me copies of meeting minutes and they refuse. Don't they have to provide me with copies?*

A. The association is not required to mail copies of minutes of a meeting to a unit owner. The Condominium Act provides that the minutes of an association meeting is an official record of the association. The Act also states that official records, such as minutes, must be made available for a unit owner to inspect within 5 days after the board or its designee receives a written request for inspection from the unit owner. If the association does not provide access to the official records within 10 working days after receipt of the request, the unit owner may be entitled to damages. The Act further provides that the "right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the association member" (Florida Statute 718.111(12)(c)). This provision does not require the Association to mail copies of official records; however, the association can voluntarily do this as a courtesy to owners.

Q. *Our Board has eliminated fidelity bonding as a cost cutting measure. Is this prudent or legal?*

A. If your governing documents require fidelity bonding, the board cannot eliminate this requirement without amending the documents. This will be the case whether your association is a condominium association or a homeowners association ("HOA"). If your documents are silent, whether your association is a condominium association or an HOA is relevant.

If your association is a condominium association, the Condominium Act (Section 718.111(11)(d), Florida Statutes) provides that the "association shall obtain and maintain adequate insurance or fidelity

bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the association or its management agent at any one time." If cutting the association's fidelity bonding results in your insurance not covering the maximum funds that will be in the custody of the association or its management agent at any one time, the association is by definition inadequately insured and in violation of the above statute. Furthermore, if cutting your fidelity bonding jeopardizes the condominium because it is under-insured, your board of directors may have breached their fiduciary duty.

The law governing HOA's does not specifically require HOA's to maintain adequate insurance. However, as stated above, if cutting your fidelity bonding leaves the association at risk because it is underinsured, your board members may have breached their fiduciary duty.

Edward Dicker is a partner in the law firm of St. John, Dicker, Caplan, Krivok & Core, P.A.. The firm represents more than 800 community associations in Palm Beach County. They can be reached at 561-655-8994

REMINDERS !

In anticipation of the hurricane season which begins June 1, review all insurance policies to make sure they are in order. Make copies of all contracts, warranties and unit owner roster sheets for storage in a safe deposit box or other safe place.

Make sure all of your Board of Directors and Members Meeting agenda, minutes and notices are up-to-date and in order, stored properly with separate copies.

Review your association's emergency evacuation procedures with all committee persons, residents and selected professionals.

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HOW TO PROTECT YOUR HOME AND PROPERTY FROM A HURRICANE

By John R. Math, LCAM

During the hurricane season, homeowners should prepare well ahead of a storm. Don't wait until the last minute; supplies and materials will be in high demand and short supply.

Now is the ideal time to have large trees trimmed to avoid uprooting.

Remove coconuts from palms as they are potential projectiles in gusty winds.

Small or newly planted trees should be staked. Prune back all shrubs to half their normal size and height.

Cut back all freeze-damaged trees and plants as they will easily break off in a storm.

Be prepared to remove all loose objects from your yard, patio, deck and porch and store them inside. This includes patio furniture, decorative items, potted plants, lighting, awnings, barbecue grills, hoses and tools.

Any large items that cannot be moved and stored by two people should be tied down and anchored.

Consider having aluminum storm shutters installed on all windows, doors and sliding glass doors which are Dade County approved.

A less expensive alternative is to prepare plywood panels for all of your home's exterior openings. To make your own plywood panels: Place a 3/8 inch sheet of plywood over the opening and cut three to four inches beyond the edge of the opening. Drill holes in the panel every eighteen to twenty four inches around the perimeter of doors and windows. Sink 1/4 inch screw anchors to match the holes. The panels can then be installed at the first hint of a storm emergency.

If you belong to a property owners association, check first with your property manager or the Board of Directors to find out what is permitted to be installed and how. At the very least, you should put duct tape diagonally across each window and sliding

glass door to prevent to prevent glass from shattering into your home. Remember to remove the tape as soon as the threat of a storm has passed, since it may "bake" onto the glass surface. Remove all television, radio and citizens band antennas from the roof. Look closely for power lines in the surrounding area and be extremely careful when removing any antennas if they are near electrical or utility lines. Remove several sections of screening on porches and pool enclosures to allow wind pressure to escape. Remove and store window screens if you do not have shutters.

Increase pool chemicals before the storm hits, but do not lower the water level. Groundwater levels may rise and cause the pool and deck to "pop" out of the ground. Cover the pool pump and filter with strong plastic, tape the joints and shut the system down. Do not throw patio furniture into the pool - It could damage the pool's surface, as well as the furniture.

Remove mailboxes if they are not securely answered.

Boats and trailers should be stored in the garage, but if they are too large, make sure that they are anchored. Protect the engine and remove and store all equipment indoors.

Before the hurricane season is well underway, this may be a good time to review your insurance coverage. Make sure all policies are up to date and paid. Consider purchasing a personal flood policy to protect the contents of your home. Condominium owners may want to consider a personal policy to protect the interior of the unit.

If your building is located in a flood plain, a master flood policy might be purchased well in advance of a storm, since insurance carriers stop writing insurance when a storm is approaching.

Finally, check with your local Red Cross to find out what supplies, materials and procedures you will need to weather out the storm - either in your own home or at an

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emergency shelter.

County Civil Defense departments or the division of Emergency Management can brief you about evacuation procedures and emergency routes in your area.

For additional information, call John Math at 561-588-7210 or email us at assocpropmgt@bellsouth.net

USEFUL WEBSITES FOR YOUR ASSOCIATION

Associated Property Management
561-588-7210 or www.assocpropmgt.com

Florida Department of State
904-487-6000 or www.sunbiz.org

South Florida Water Management District
561-686-8800 or www.sfwmd.gov/index

Palm Beach County Property Appraiser
561-355-3230 or www.co.palm-beach.fl.us/papa/main/default

Florida Division of Emergency Management
850-413-9900 or www.floridadisaster.org

Palm Beach County Div. of Emergency Mgt.
561-712-6400 or www.co.palm-beach.fl.us/eoc

LANDSCAPING & WEATHER NOTES

The summer growth cycle is now in full swing. Weed growth is relentless, as the days are hot, wet and humid. Light, slow-release fertilizers will help your plants make it through the summer. If you have not yet pruned for the hurricane season, do it now as it will help to limit wind damage and strengthen the trees. Also, proper pruning helps to limit the spread of disease and insects.

If you see the spread of dead areas in your lawn, this will indicate chinch bug activity. Treat the areas along the edges in order to limit the bug's activity, as they are searching for healthy grass.

With the wet weather, plants and turf will be prone to fungus. Too much water, especially before sun-up, is usually the culprit. Reduce your watering and treat immediately with fungicides.