

apm NEWS

A Publication of Associated Property Management - Fall 2003

WHAT TO DO IF YOUR COMMUNITY ASSOCIATION FLOODS

By John R. Math, LCAM

Anyone who lives in South Florida will eventually experience flooding from heavy rains, storms, or worse, hurricanes. The vast amounts of rain that can be dumped in an area from a storm will simply over-take storm drains, drainage canals and retention ponds. The water will have no other place to go but to accumulate in yards, swales and low-lying areas of homes. What can you do if this happens to you?

If there are downed power lines, broken gas lines or severed water mains near your home that you are aware of, call 911 and report this immediately. If you smell any gas or noxious odors in your house, open the windows to let the fumes escape. Do not smoke or use candles unless the gas has been turned off and the area is free of all fumes. Use a flashlight. If pilot lights are out for gas stoves, water heaters or dryers, let the gas company

re-light them. If the power is off, unplug appliances in order to avoid surges when the power is turned on.

When resetting circuit breakers, stand on something dry and non-conductive, use one hand and reset breaker with a dry wooden tool. Do not use appliances and motors that are wet unless they have been taken apart, cleaned and dried.

Do not walk through any flowing water. Drowning is the number one cause of flood deaths. Do not drive through flooded areas. There may be hidden debris and sewage contained in the puddles of water. Watch out for insects, snakes and other animals that are searching for high ground.

Do not drink tap water unless you are assured that it is safe. Make sure that the water is sterilized, either through boiling or through a mixture of 16 drops of bleach for every gallon of water.

After the water recedes, you will begin to combat a growing mildew problem within your home. Painted surfaces such as wood trim and walls can be treated with a solution of three-quarters of a cup of bleach to one gallon of water. Scrub the solution on the surface. Rinse and let dry. Clothes can be treated by soaking them for 30 minutes in a solution of two tablespoons of chlorine bleach for every cup of water. Wet drapes should be taken down and spread out to dry as soon as possible. After they have dried, they can then be dry-cleaned. Area rugs can be taken outside to dry, but do not put them out in the sun or more damage may occur. Take water-stained rugs to a rug cleaner as soon as possible. For wall-to-wall carpeting, remove the padding as soon as possible as the pad acts as a sponge. Remove the carpet, dry and disinfect the floors. The carpet may or may not be able to be salvaged.

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Furniture may be dried outside, but do not put in the sun. Remove all drawers and let them dry. A wood refinisher will need to be called to clean, treat and seal the water damage. Dry out all books by standing on end in an upright position with the pages spread open. Damaged artwork and other important papers should be saved in order to allow restoration professionals to try to salvage the items.

When flood damage has occurred contact your homeowners insurance agent immediately to determine whether the damage is covered with that policy. Generally, homeowners insurance will cover for rain damage that is a result of a faulty roof or broken window. If you have a flood insurance policy, that agent should be called as well, as that policy will cover the homeowner for rising waters and storm surges.

Useful websites for you and your association are the Florida Division of Emergency Management and the Palm Beach County Division of Emergency Management they are as follows:

www.floridadisaster.org

www.co.palm-beach.fl.us/EOC/

**NOTE APM HAS MOVED TO:
1928 LAKE WORTH ROAD
LAKE WORTH, FL 33461
561-588-7210**

Ask The Attorney

By V. Donald Hilley, Esq.

Q. *Recently, we went with a new management company. Our former management company refuses to forward any of our mail. Is there anything we can do about this?*

A. Your former management company was your agent. Agents, among other duties, have the duties of loyalty, accountability and performance. The former management company is breaching its duty to the association by not forwarding mail. In addition, this failure may be a breach of its contract with the association. Contracts should obligate a management company to wind down its involvement with the association even after termination so long as the association pays for those services.

As a practical matter the association should ensure that a change of address form is completed and provided to the postal service so that expense and inconvenience to both the association and the former management company can be kept to a minimum. Ultimately, and if all else fails, a suit could be brought to recover any unforwarded mail.

Q. *How important are voting certificates and how can we make sure they are up to date?*

A. Voting certificates are documents which designate one of the record title owners, or the corporate, partnership, or entity representative, who is authorized to vote on behalf of a unit that is owned by more than one owner

or by any entity. Voting certificates are often required by the governing documents of the association to reduce confusion in the voting process. If the governing documents require voting certificates, the voter named on such certificate is the only person authorized to vote or appoint a proxy. Generally speaking, voting certificates are good until the unit is sold or the certificate is revoked by the owners. Where required, voting certificates are very important to the outcome of any election or other vote of the membership.

V. Donald Hilley is an AV rated attorney and partner in the firm of Hilley & Wyant-Cortez, P.A. which represents associations in Palm Beach and Broward counties. The firm takes pride in its personalized approach to working with associations and is located in North Palm Beach. Their telephone number is 561-627-0009. Their E-mail address is vdhilley@bellsouth.net

REMINDERS!

1. Financial reporting requirements must be waived by Chapter 718 and 719 association members prior to January 2004.
2. Any waiver of reserves for Chapter 718 and 719 association members must be voted on and waived prior to the beginning of the new fiscal year.
3. If the documents so require, the amount of Directors for the coming year must be determined according to the by-laws prior to the first notice of meeting.
4. Any proposed amendments must be drafted, reviewed and proposed by the Board of Directors, prior to the members meeting or annual meeting.

BUDGETING PROCEDURES FOR COMMUNITY ASSOCIATIONS

By John R. Math, LCAM

A budget is an operational document that puts forth policies and goals of the Association in fiscal form. A budget is an estimate, which is usually initiated two to three months before the fiscal year begins. An operating budget is a management tool developed and used by the Board of Directors of an Association to help achieve the goals of the Association.

A budget can be developed by a committee and/or by a Board of Directors, depending on the size and complexity of the operations. For this article, we will assume that the Committee will develop the budget to present to the Board of Directors. In all cases, the Treasurer and key operations personnel should be involved, as they have an intimate knowledge of the income and expenses of the previous year and would also be in the best position to make reasonable judgments for the coming year.

A budget will include a reasonable expectation of the amount of expenses the association shall incur during the coming fiscal year and the amount of income required to offset expenses. Once in place, the Board of Directors monitors the budget by way of regular monthly or quarterly financial statements. These financial statements will contain a balance sheet, income and expenses, any changes in reserves, a statement of cash flows and a general ledger detail. In this manner, any major variances in either income or expense can be examined and explained with action being taken.

As a group, the Committee needs to agree on what specific goals they would like to achieve during the next year, what expense categories are required by the by-laws and/or state statutes. After agreeing to certain goals, the use of last year's budget and historical file, a line-by-line comparison analysis and last year's variance reports can all be used to help compile

the budget. The previous year's budget and historical files will provide a recap of activity. The past year's actual expenses, projected for twelve months activity will also provide a guide to the Committee.

The budget format will consist of income, expense and reserve requirements. Income categories will include maintenance assessments, interest income, late fee income, and any other income which can be relied upon throughout the year. Expense categories will include utilities, payroll/employee benefits, if any, operating, repairs and maintenance, administrative, general expenses and Reserves for Replacements, as mandated or required by the documents and current statutes.

The Committee will take each year-to-date line item, project that expense over a twelve-month period of time and then base this work on past performance and historical calculations. With this information, the Committee provides line item figures with any anticipated changes and variances. We like for Committees to provide a written explanation of each line item. This will help the Committee to explain the budget to the Board of Directors, provide a base of information for future Committees and may also be used as a guide when mailing out to the members.

The draft package will contain an overview of the proposed budget outlining pertinent facts and items of special interest. The Budget Summary will be the actual budget, with all major sub-headings, showing percentage of increase/decrease over last year's budget. Additional reports may be presented to the Board of Directors such as "seasonalization" spreads and monthly "cash flow" analysis. Both reports will help the Board of Directors to operate throughout the year and should be used as a planning tool.

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Mailing Label

LAKE WORTH, FLORIDA 33461
1928 LAKE WORTH ROAD
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Below are some tips to help your Board of Directors or your Budget Committee to save time and to have some continuity in the budget process:

1. Throughout the year have all abnormal expenditures and variances reflected in the minutes of meetings, then use this as a guide when you project your expenses.
2. Maintain a year-to-year historical file on your Association's budget. Any future Board of Directors or Budget Committee can access this information in order to help formulate future budgets.
3. Keep account codes to a minimum and try to keep the actual budget simple in order to allow all owners and future Boards to understand the budget better.
4. Begin the budget process early and revise your income/expense projections along the way until you have your Budget Meeting.

Associated Property Management of the Palm Beaches, Inc. is a fifteen-year-old full service association management firm. APM serves more than 125 associations in Palm Beach County. If you have any questions or comments you may contact us at 1928 Lake Worth Road, Lake Worth, Florida 33461. Please call us at 561-588-7210 or you may email us at assocpropmgt@bellsouth.net at any time.

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