June 5/2023 Board Meeting to discuss hiring new Management Company

6:05 Meeting started by President

<u>First Presenter is Russell Munz.</u>

Russell says many communities feel accounting isn't there or lack of fairness. Says people want better communication, service and transparency. Started the firm 5 yrs ago to make it easy for boards to self-manage if desired. Says most the time want someone else to have good management and systems for money and billing with checks and balances. Transparency around financial information where homeowners can see specific financial information and make payments and have access to account information. They can manage late fees, bills, and have an online approval system with Pres and Tres approving payments online. They include the cost of check or vender can be paid by ACH with no extra charges.

Send out statements with no charge for email, there's a cost for mailed statements but try to eliminate charges. Take accounts receivable and payable and do financial reports on a monthly basis so we can make good decisions at board meetings.

We'll have a portal to see information about the community. They have software regarding violations, maintenance and architectural review requests. Can help make board more efficient. Simple software that property managers use.

All history of violations and requests are together online and is a good management tool for the board to use property management tools. They have accounting, software and great support. They have a team that can answer questions. We'll have a dedicated account manager and direct point of contact but there will be others to make sure they're meeting their deadlines. They can handle paperwork for closing costs when homeowner sells or refinances.

There are ways to self-manage or we can choose higher service if we want.

Pricing: Mid-tier Level includes financial reports, response time of 1 day, portal costs included, communication center, online learning academy, how-to videos, software setup and violations, review requests, customer service and reports. $529

Rolland mentions late payments and Russell says after 15 days it depends on our collection policy. We may need to determine our policy & should communicate this with homeowners. Russell says emails are sent and homeowners have multiple ways to pay. Late fees happen automatically. Can also do late letters.

They also work with a collection agency so can report delinquent owners to credit reporting agencies, helping delinquency go down a lot.

Voted on #7 and #8 on agenda-Aye for both.

#9 on agenda regarding increasing insurance to cover fidelity. We voted Aye

#10 Yes for birthday party being able to use she shelter

#11 Yes spending about $220 for pump for irrigation for trees in park.

<u>Julie with Clark, Simpson, Miller</u>

Said they don't handle violations or venders. They do accounting. They are remote management. They can do mass communications, emails, mailings, administration and office work but that's it.

They have a different bank from Cedar. They're with CIT Bank but might be changing to Alliance soon. They have software called Avid Exchange, it's an invoice payment system. The treasurer would have access to approve online. They can also email invoices.

The portal is the same minus the violations and maintenance section.

They can upload and send ARC/ACC requests.

Rolland says seamless transfer from Cedar because it's a sister company. $2.11/house/month. Asked about board needing to write checks and reimbursement process.

She says it's the same as Cedar. Unless board members are bonded, they can't sign. Says can't allow us to be on account unless board member goes through the bonding process.

Rolland mentioned a credit card and she says they can do that with a limit tied into operating account reconciled monthly. Usually, can be reimbursed within 2 weeks.

Bonnie wants integrated services and Rolland says we won't have that option but can farm it out and we'll still save money. The benefits would be more control, violations can be done every 3 wks if we want, can hold violation hearings and nip things in the bud quickly. Right now, nothing is happening with violations.

Julie's going to send over info about a company that does inspections and thinks it's about $200 each and they do the letter and report and everything. Some have been done for $150. We would have to handle directly with them. CSM can send notices but doesn't get involved in the violation process.

They aren't liaisons on violation issues. Says we need a violation policy. She'll send us a template. Says we don't want 4-month-old violations. We want to move quickly. She says most people correct quickly or those who won't fix unless you hit them where it hurts. She said when they get big fines, they will start doing something about it. Says the continuity with follow-up and follow-through.

Rolland says we spend $1200/yr right now. Julie said to reach out to her if we want to discuss anything further.

Stephanie with ASM

They're in Lake Wylie, so close by.

Rolland says they're most expensive and with budget there's no extra money this year.

Rolland told her our current company doesn't do much with regard to financials and demand letters. She was surprised and said in their system it's automatic that if anyone meets a financial delinquency threshold, that it starts with a reminder with then letters with finally the board getting to decide to send to attorney or collection company.

They have a full packet that goes to all board members monthly which cuts down on questions because it is transparent and it's automatic. We would have a dedicated association manager as well as a customer service department. They have a website with chat to get responses faster for clients.

They have a 24-48 hour response time. The account managers are balanced as well as possible. Theirs is based on the management fee.

The manager we'd get has extra room and isn't overwhelmed.

Rolland says we have around 20 violations/month on average or 15% on average.

Rolland asks about follow-up so we're not 3 months into the same ordeal. Stephanie said these are followed up on the next inspection. Said this varies depending on the community and weather, etc. Said there are inspections 10-15 days between them.

They use an app called SYNC systems (spelling?) said if anyone has a prior violation there will be a flag next to their name or if remedied, the flag will go away.

Said they'd then go to a hearing before the board. They can do whatever grace period we require and they can move as quickly as we like.

They currently manage 135 different associations with all different sizes and needs. They have 11 managers. They try to keep their account managers with little turnover.

They have a support team and good network to make sure they're compliant.

Rolland asked for questions and feedback.

Bonnie asked if we could get back together on this. Rolland wants to decide tonight.

We agreed to go with Clark, Simpson, Miller.