

Central Oregon Regional Chapter of Community Associations Institute

NEWSLETTER

Third Quarter 2023

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Preparing the Annual Budget

By David T. Schwindt CPA RS PRA

(Excerpt from Chapter 6 of Schwindt & Co 2023 Treasurers Manual. The entire Treasurers Manual may be downloaded by going to the schwindtco.com website and clicking on Resources)

Annually, the Association should prepare and adopt an operating and reserve budget for the ensuing fiscal year. This annual budget is the basis for establishing annual regular member assessments to cover operating expenses and contributions to the replacement reserve fund. The annual budget is a financial action plan, and it should be realistic based on previous financial activity and financial activity anticipated in the coming years.

- Operating budget: The operating budget is based on estimated expenses required for the ongoing upkeep and maintenance of the Association such as utilities, payroll, general maintenance, etc. for the budget year. It is also prudent to factor in a contingency or emergency budget line item of around 5% to 10% of all other operating expenses for unexpected operating costs. The operating budget may also include a line item for uncollectible assessments. See Section 7 for a discussion of bad debts. Each operating budget line item should be supported by a written narrative explaining in detail how the amount was computed.

- Reserve budget: The Association's reserve budget should be based on its reserve study. The reserve study should be updated each year. Most Associations are required by statute to prepare and annually update a reserve study. See Section 8 for information on reserve studies.

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Word On The Street

Education

Conflict Resolutions Techniques for Diffusing Situations

Another great presentation was held on August 24 by Katie Anderson, Aperion Management Group and Bruce Lapore, Harker Lepore LLC. Attendees discussed some real world scenarios and were provided both practical and potential legal remedies to help resolve various types of conflicts in your communities.

Register today for the next educational event October 19th, 2023!



Board Of Directors

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Bill Anderson

President Elect:

Sara Eanni

Treasurer:

Michael Hughes

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Hannah Jones

Board Member:

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Sara Eanni

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Events Not To Miss

HOA Horror Stories

In Person
October 19th

CORC Full Throttle –
Go Kart Racing

In Person
November 9th

Manager Roundtables
Virtual via Zoom
Nov. 15th

Bingo/Trivia
Chapter Annual Meeting
In Person
December 7th

Preparing the Annual Budget

Continued from page 1

Following are a few things to consider as the Association's budget is developed.

- Total assessments charged to owners should cover operating expenses, recommended reserve contributions (from the reserve study), and the repayment of previous borrowing from reserves to pay operating expenses if applicable.
- If the Association has had to use reserves to pay for operating expenses, the Association should approve a plan to repay any borrowing in a reasonable amount of time.
- When talking to vendors, keep notes on what vendors are contacted, their phone numbers, and if they anticipate increases due to inflation or other factors.
- Be aware of any contracts the Association is currently party to and when the contracts expire. If a contract is expiring soon, consider obtaining bids from other vendors. The desire to request other bids may have been expressed at meetings or it may be that the Association has a competitive bidding policy requiring multiple bids.
- We recommend maintaining a contingency of about 3 months-worth of operating expenses in the operating fund for unexpected expenses or seasonal fluctuations in cash.
- If a transfer of excess operating funds to the replacement fund is budgeted, the Association should be aware that the transfer is permanent and cannot be transferred back to the operating fund.
- Check the math.

Preparing the Annual Budget

▫ At the conclusion of the budget committee's work, the committee should present the budget for approval by the board in an organized and easy to read/understand format and be ready to answer questions on each of the budgeted revenues and expenses. A well-organized budget can be used year after year as a template for future budget committees.

▫ Members of Associations are understandably concerned about increases in assessments. Full transparency can help alleviate members concern that the Association is not spending money wisely. Special meetings/town halls can give the membership additional information concerning the budget as well as answer questions members may have on how budget line items are calculated. It is imperative that all budget line items are documented including vendor quotes, contracts, prior year expenses as well as the rationale used to determine each line item. By properly documenting and presenting the budget, the membership may not be happy about the result, but hopefully they will recognize the need for the proposed increase.



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join now

Explore the Benefits of Membership,
Join CORC CAI today -
caionline.org/JoinNow

Join A Committee

Looking to give back? A good way is to join a committee. CORC CAI is actively looking for committee members. Commitment is approximately one to two hours a month. Contact Heather for details.

Membership Committee

Chair/Board Liaison:
Michael Hughes

Member:
Julie Hellman

Member:
Noam Amir-Brownstein

Member:
Kathy Oberst



National Events

Large Scale Managers
Workshop
Oct. 4-7, 2023
Honolulu, HI

2024 Law Seminar
February 14-17, 2024
Las Vegas, NV

Annual Conference
May 8-11, 2024
Las Vegas, NV

CAI National Events
www.caionline.org/Events



Bill Anderson
2023 Central Oregon Regional
Chapter of CAI - President

Chapter President Message

Fellow Members,

Welcome to fall! If your team or board is anything like mine, you are gearing up to complete your budgets for 2024. With that comes a flurry of work and meetings. From collecting and renewing contracts for the new year, to “guesstimating” how many snow events or how long a particular season is going to last, it is challenging for us to have the crystal ball. We have to rely on the resources at hand. These resources can be a co-worker, a neighbor, my Mom, the trusty farmer’s almanac, and most importantly, your Business Partners. Whichever resource you choose to use, make sure to listen to their recommendations because they will have the knowledge and expertise that you need to make informed decisions for your community. And yes, I did mention my Mom; she knows a lot about managing time and staying on track, which I constantly need reminding of.

For those of you who are manager members and have hit a wall in your budget, be sure to tune in to our next manager’s roundtable. You can present a topic and get assistance from some of your peers in the industry. If you are on a board or are a Business Partner, feel free to peruse the membership directory for the name of a manager or management company that may be able to lend a hand. We all want the industry to thrive and move in a more informed direction. You don’t need to be on an island and try to tackle it all on your own.

With that said, enjoy the fall season and some pumpkin spice mac and cheese!

-Bill Anderson

2023 Central Oregon Regional Chapter of CAI - President

PS If you haven’t noticed, I do try and get your attention with a little humor. Who is going to eat pumpkin spice mac and cheese? Gross!!!

Vendor Spotlight



How can Blue Mountain help our CAI Members?

We are here to provide you with solutions customized to your Association needs. We offer solutions to partner with Boards to make their roles manageable and attainable while still enjoying everyday life. With robust offerings from project formation consulting to full onsite management, we are sure can find the perfect management solution for your community.

Share your thoughts on how your company is different from others?

We are a one-stop-shop with in-house reserve studies, accounting, compliance, and maintenance team. We are an Associa Company who has earned "Best Place to Work" designation for the last 5 consecutive years. We have national resources with expert knowledge and resources that not only benefit every client but also every employee. We take care of our employees so they can thrive and service our clients to the best of their abilities.

Make it fun – What's a fun fact about Blue Mountain?

While Association Management can be a difficult job at times, office culture is EVERYTHING. We have found furry friends to be a very big part of our culture, so in addition to our managers dogs which frequently visit the office, we have also played the occasional host to cats, kittens, rabbits, hamsters, fish, and a pig.



Be A CORC Sponsor

Sponsorship Opportunities are available.

Contact CED Heather Brownson at 541-719-8224 or corc@caicentraloregon.org for more information.

2023 Sponsorship Opportunities

caicentraloregon.org/sponsorship

[2024 Sponsorship Opportunities coming soon!](#)

Sponsorship Committee

Chair:

Melissa Curry

Member:

Erik Robinson

Member:

Colleen Chesbrough

Board Liaison:

Bill Anderson



2023 End of Legislative Session Update

CAI Oregon LAC Members

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Katie Anderson, CMCA, AMS,
PCAM
Aperion Mgmt Group

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Sara Eanni, CIRMS
ABI Insurance

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Community Mgmt, Inc.

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Bridgetown Community
Management, LLC

Chapter Delegate Member
Tami Macleod
Lynch Murphy McLane LLP

Advocacy for Associations
www.caionline.org/advocacy

CAI Advocacy Summit
November 2nd, 2023
Washington, DC

The CAI Oregon Legislative Action Committee (LAC) actively advocated on behalf of the approximately 565,000 Oregonians living in 228,000 homes in more than 3,980 community associations across the Beaver State during the 2023 state legislative session. The CAI Oregon LAC actively tracked a total of 87 bills this year, out of over 1100 bills introduced in the Senate, and around 1700 bills introduced in the House.

****To read the full CAI Legislative report, visit OREOS2023.pdf (caionline.org).**

| 2023 Oregon End of Legislative Session Bill Summary Reported by Oregon LAC/CAI | |
|--|--|
| Bill and Status | Comments |
| HB 3395 – Relating to housing; and declaring an emergency. | This bill opens commercial zones for approved affordable residential development within urban growth boundaries. |
| Status: Passed, effective immediately. | This bill grants an extension until January 1, 2025 and streamlines the process for removing discriminatory language in recorded documents. |
| SB 82 – Relating to homeowner insurance for wildfire risk. Status: Passed, effective January 1, 2024. | Establishes new requirements of insurance carriers with under- writing and rating for wildfire risks within the state along with providing additional time for rebuilding after a wildfire loss. |
| SB 437 – Relating to producing food in planned communities. Status: Died in Senate. | The intent was to allow food production such as hen-keeping and beekeeping, along with other potential food production within HOA communities. This bill could likely be proposed again. If passed in the future, communities will need to understand the impact this bill could have for a community. |

Chapter Contact: Chapter Executive Director Heather Brownson
541-719-8224 corc@caicentraloregon.org