

Vol. 41 • No. 4 • 2023

www.CAI-RMC.org



# COMMON INTERESTS

## THE 2023 Finance ISSUE

### Money Matters

---

**Unlocking the Magic of HO6 Insurance**

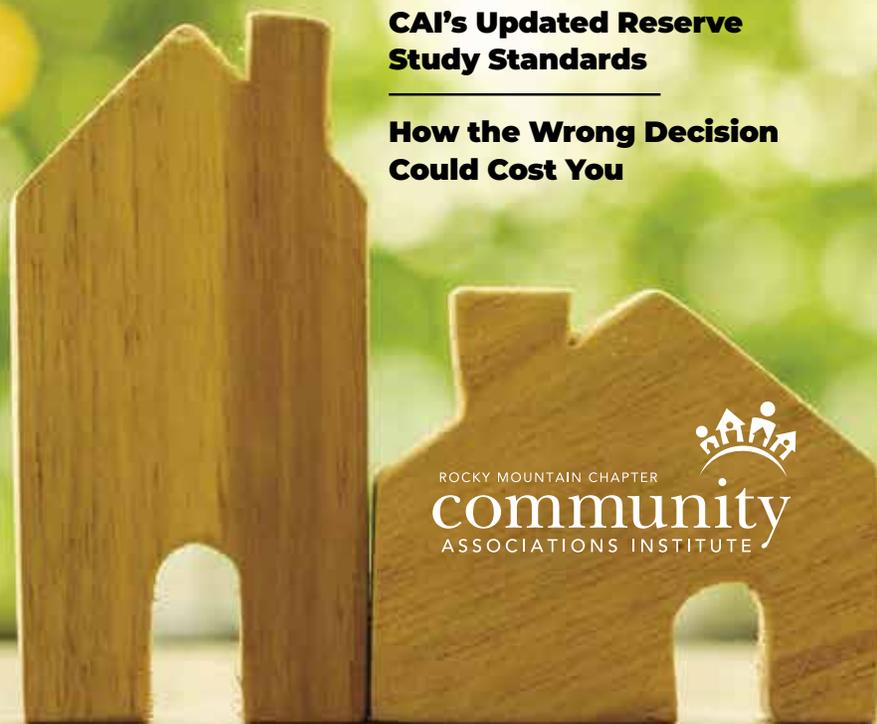
---

**CAI's Updated Reserve Study Standards**

---

**How the Wrong Decision Could Cost You**

ISSUE



  
ROCKY MOUNTAIN CHAPTER  
**community**  
ASSOCIATIONS INSTITUTE

New Monuments

Regulatory Signs

Monument Refurbishment

Consulting

ADA Compliant Signs

Street Signs



**architectural  
signs.com**

(303) 696-6106

(800) 869-6376

[www.ArchitecturalSigns.com](http://www.ArchitecturalSigns.com)

7302 South Alton Way, Suite B, Centennial, CO 80112

## FEATURED

- 6 **Commonly Asked Questions on Maintenance, Capital Improvements, and Special Assessments**  
by Bryan Farley
- 8 **CAI's Updated Reserve Study Standards**  
by Peter B. Miller, RS, and Rick McKittrick
- 10 **Money Matters**  
by Nicole Bailey
- 12 **How the Wrong Decision Could Cost You**  
by Paul Riggle
- 14 **How to Have Tough Financial Conversations the Right Way**  
by James Phifer
- 16 **Unlocking the Magic of HO6 Insurance**  
by Devon Schad
- 18 **Thoughts on the Visible Garden Rule**  
by Danielle Holley
- 24 **HB 22-1137 One Year Later—Financial and Other Impacts**  
by David Graf and Connie Van Dorn



## COLUMNS

- 4 **President's Letter**
- 30 **Sponsors**
- 32 **Recent Designations**
- 33 **Welcome New Members**
- 34 **Service Directory**
- 38 **2023 List of Committees**
- back **Event Calendar**

The materials contained in this publication are designed to provide our members and readers with accurate, timely, and authoritative information with regard to the subject covered. However, the Rocky Mountain Chapter of CAI is not engaging in the rendering of legal, accounting, or other professional types of services. While the Rocky Mountain Chapter of CAI provides this publication for information and advertising, the Rocky Mountain Chapter of CAI has not verified the contents of the articles or advertising, nor do we have the facilities or the personnel to do so. Members and readers should not act on the information contained herein without seeking more specific professional advice from management, legal, accounting or other experts as required.



# President's Letter



**Karli Phifer**  
Chapter President  
CAI-RMC

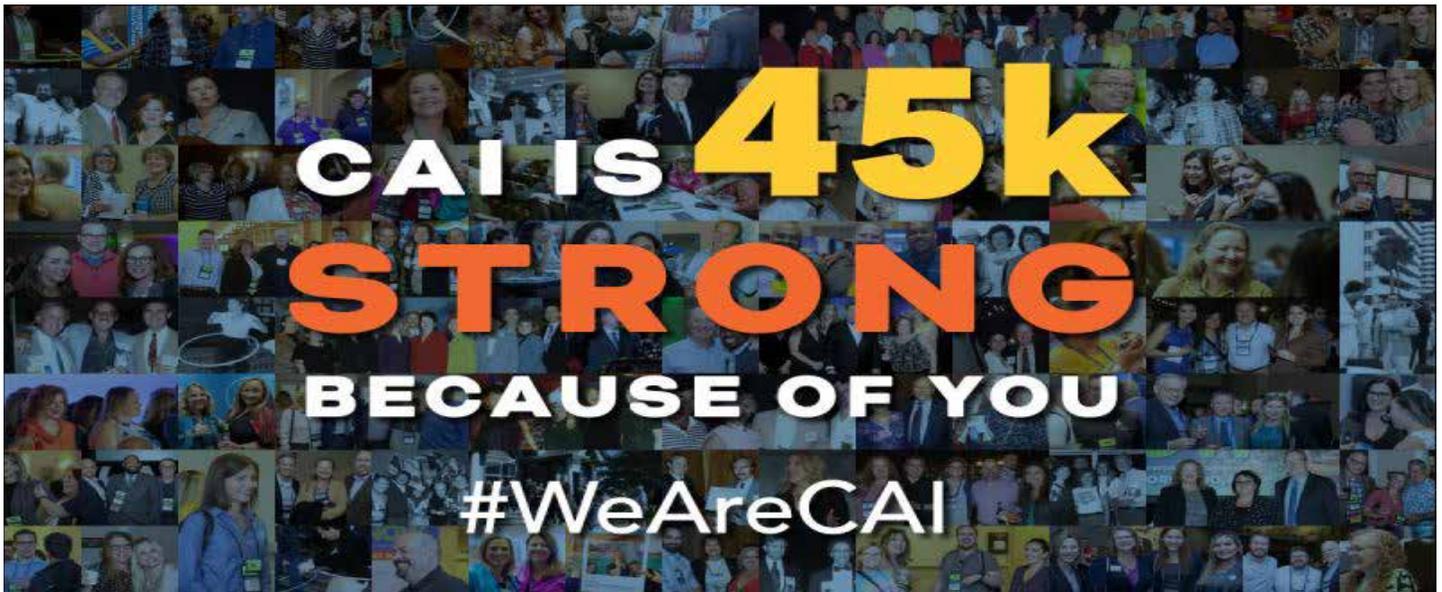
In this edition of our magazine, we will discuss one of the essential aspects of community management that impacts us all—HOA finances. The financial health of a homeowners association is not just about numbers, it's a reflection of our collective commitment to maintain thriving communities.

HOA finances are the lifeblood of our HOAs, helping us provide essential services, undertake necessary maintenance, and plan for a secure future. Our chapter has so many intelligent members who share their insights with

the intention to empower your HOA boards and members to make informed decisions and continue financial stability.

Planning for HOA finances can become complicated and sometimes has its challenges. Economic fluctuations, unforeseen expenses, and insurance increases have left boards with a need to change priorities while attempting to remain adaptable and prepared. It has not been an easy balance this year.

Remember that every dollar invested wisely today contributes to a prosperous tomorrow. The decisions we make today—whether about reserve funds, maintenance planning, or community enhancements—shape the future of our Colorado neighborhoods. 



## Editorial Calendar

Issue	Topic	Article Due Date	Ad Due Date
October	Tech / Modernization	07/15/2023	09/01/2023
December	Planning Ahead / Goals / Community Vision	10/15/2023	11/01/2023



# Expertise. Focus. Solutions.

Put the leading bank for community association management companies to work for you with individualized service, custom technology and smart financial solutions.

[cit.com/cab](http://cit.com/cab)

Let's get started.

April Ahrendsen, Vice President

303.257.7273 | [April.Ahrendsen@cit.com](mailto:April.Ahrendsen@cit.com)

© 2022 First-Citizens Bank & Trust Company. All rights reserved. CIT and the CIT logo are registered trademarks of First-Citizens Bank & Trust Company. MM#11091



is a publication of the Community Associations Institute, Rocky Mountain Chapter.

## EDITORIAL STAFF

Bridget Sebern  
(303) 585-0367  
[bridget@cai-rmc.org](mailto:bridget@cai-rmc.org)

**Design & Layout**  
Lauren Klopfenstein & Kelli Dotts  
Lauren Graphics Inc.  
[lauren@laurengraphicsinc.com](mailto:lauren@laurengraphicsinc.com)

## EDITORIAL COMMITTEE

Nicole Hernandez—[nicole.hernandez@ppbi.com](mailto:nicole.hernandez@ppbi.com)  
Meaghan Brown—[mbrown@agsconstruction.com](mailto:mbrown@agsconstruction.com)  
Amanda Ashley—[aashley@altitude.law](mailto:aashley@altitude.law)  
Kimberly Corcoran—[kcorcoran@associacolorado.com](mailto:kcorcoran@associacolorado.com)  
Bryan Farley—[bfarley@reservestudy.com](mailto:bfarley@reservestudy.com)  
Geneva Cruz-La Santa—[gcruz-lasanta@cpandm.net](mailto:gcruz-lasanta@cpandm.net)  
Chris Marion—[cmarion@3pmhoa.com](mailto:cmarion@3pmhoa.com)  
Steve Walz—[steve.walz@realmanage.com](mailto:steve.walz@realmanage.com)  
Marcus Wile—[mwile@ochhoalaw.com](mailto:mwile@ochhoalaw.com)  
Mike Wolf (Board Liaison)

## ADVERTISING

Deadline: First of each month for the following month's issue.

NOTE: All ads must be to the required format and specifications or additional charges will apply. All ads must be prepaid. Advertising in Common Interests is a benefit of membership, and you must be a member to advertise. Acceptance of advertising in this magazine does not constitute endorsement of the products or services. Rates available upon request. Email [bridget@cai-rmc.org](mailto:bridget@cai-rmc.org).

## ROCKY MOUNTAIN CHAPTER OFFICE

CAI Rocky Mountain Chapter  
11001 W 120th Ave, Suite 400  
Broomfield, CO 80021  
(303) 585-0367 • [www.CAI-RMC.org](http://www.CAI-RMC.org)

## 2023 BOARD OF DIRECTORS & OFFICERS

Karli Phifer  
Chapter President  
Justin Bayer  
Chapter President Elect  
Mike Wolf—Vice President  
Alicia Granados, CMCA®, AMS®,  
PCAM®—Treasurer

Karla Strader, CMCA®, AMS®,  
PCAM®—Secretary  
Jeff Kutzer, CMCA®, PCAM®—  
At-Large  
Chase Carmel—At-Large  
Connie Van Dorn—At-Large  
Devon Schad —At-Large

## CAI SOUTHERN COLORADO

PO Box 63831  
Colorado Springs, CO 80962  
719-432-9960  
[info@caisoco.org](mailto:info@caisoco.org) • [www.caisoco.org](http://www.caisoco.org)

## NATIONAL OFFICE

6402 Arlington Blvd, Suite 500  
Falls Church, VA 22042  
Toll Free (888) 224-4321 • [www.caionline.org](http://www.caionline.org)

# On Maintenance, Capital Improvements, & Special Assessments

**BRYAN FARLEY**  
Association Reserves, CO

## **Q** What is the difference between loss assessment coverage and special assessment coverage?

**A** *Loss assessments* are the result of sudden and accidental damage that is covered by an insurance company.

A *Special Assessment* is an extra fee charged to the owners of an association to pay for projects that are not the result of sudden and accidental damage or a covered loss. For example, if a property has not budgeted for the eventual replacement of the roof, owners may need to be charged a special assessment to pay for the replacement of the roofing system.

## **Q** What is the difference between a sudden loss, capital improvements, and maintenance?

**A** A *sudden loss* is something that happens unexpectedly, a capital improvement is an upgrade or large planned project, maintenance is something that is done regularly so that the asset can achieve its expected life. An example of sudden loss is a hailstorm that causes damage to the association roof.

A *capital improvement* would be if the association wants to install a playground within the property when no playground previously existed.

*Maintenance* is the general upkeep of the assets that help the asset achieve its expected useful life. For example, items such as asphalt sealing, roof patching, siding painting, wood staining, boiler repairs, etc., will help these items achieve their expected useful life. Typically, ignoring maintenance projects will shorten the life of the asset or may even cause the eventual replacement value to increase due to lack of maintenance.

## **Q** Will an HO6 insurance policy cover a special assessment that is due to deferred maintenance?

**A** *No, it will not.*

For example, an asphalt composition shingle roof was installed in 2000 is expected to last approximately 20-25 years. The roof is now, in 2023, approaching the end of its expected useful life. An owner is expected to maintain the roof, and the failure to do so is not a sudden and accidental occurrence that would result in a successful insurance claim.

Loss assessments are the result of sudden and accidental damage that is covered by an insurance company, special assessment is for special projects that are not the result of sudden and accidental damage or a covered loss.

## Q What is deferred maintenance?

A **Deferred maintenance** occurs when a common area component needs to be repaired or replaced, but the association chooses to not make repairs, and instead pushes the project back. For example, if the roof needs to be replaced this year, but the HOA does not have enough money to pay for this project, the board may decide to defer the project another year.

## Q What are the consequences of deferring our projects further?

A Consider the roof will soon need to be replaced (with a remaining life of 0 years) per the recommendation of a qualified inspector. If the board chooses to defer the project, then there are a couple of outcomes:

*The roof will fail catastrophically with damage to the interior of a unit, which would now require a large restoration project to mitigate this issue. This will also negatively impact the HOA since the failure was caused due to board negligence. This could possibly result in lawsuits or other costly issues.*

*The roof project will be deferred, but the cost will be higher in the future due to inflation and other unknowns (supply chain issues, labor issues, etc). The HOA will now need to charge the owners more money in this scenario to make up the difference in cost. This can result in a special assessment or large loan requirement.*

Overall, deferring a project will always cost the owners more money. It is best to complete a project when it comes due.

## Q If we complete this project now, won't our dues go up and that may negatively impact our resale value?

A The data shows that well-funded reserves increase the resale value of a home. A well-funded association can increase the resale value of its homes by ~12% relative to a poorly funded association.



When a property is experiencing component failure due to deferred maintenance, a prospective buyer will see that they are buying a property in an HOA that cannot maintain its current financial obligations, and therefore

may be less incentivized to pay top dollar for a property that is underfunded (roofs leaking, paint peeling, potholes in the parking lot) and cannot pay for basic maintenance needs.

**Ultimately, the board has three options to pay for the upkeep of the common area assets:** 1) Regular budgeted contributions into the reserve account, 2) Special Assessments and Loans, or 3) Doing nothing.

The most affordable option is to pay equally distributed contributions into the reserve account since every owner over the life of the property should have paid into this fund.

Every owner will pay their fair share of their usage of the common area assets. A special assessment and loan are sometimes necessary if the HOA does not have adequate reserves, however, these are more costly than regular budgeted contributions. Doing nothing is costliest because deferring maintenance could lead to structural damage, and potentially cause life safety issues for the property.

***Each board has a choice to make—and the choices are not easy—but there is clearly a right choice and a wrong choice.***

The wrong choice could lead to costly emergency projects, or at the absolute worst, building failure. The right choice to make is to spread out the inevitable costs of the ongoing deterioration of the common area components to all owners of the HOA. This way, every owner, regardless of when they happen to live at the property, will be paying a fair share of the reserve contribution obligations. 🏠



**Bryan Farley** is the President of Association Reserves, CO and has completed over 3,000 Reserve Studies and earned the Community Associations Institute (CAI) designation of Reserve Specialist (RS #260). His 12+ years of experience includes all types of condominium and homeowners' associations throughout the United States, ranging from international high-rises to historical monuments.

# CAI's UPDATED Reserve Study Standards

**PETER B. MILLER, RS, AND  
RICK MCKITTRICK**  
MillerDodson Associates, Inc.

Now that we have marked the second anniversary of the Champlain Towers South partial collapse, it is time to examine where we have come regarding the Reserve Study field. This tragedy opened our eyes and made clear several issues, not the least of which was a reform of the way we do Reserve Studies. As we all know, the Community Associations Institute (CAI), was very active in its response to this disaster, starting with a physical presence on the ground in the days immediately following the collapse, followed by its Condominium Safety Public Policy Report within months of the event. CAI also appointed several task forces to study specific topics such as Reserves and Reserve Funding, Building Maintenance and Structural Integrity, and Insurance. The input from these task forces culminated with extensive changes to CAI's Reserve Study Standards. These changes to the Reserve Study Standards are important to understand, not just for Reserve Specialists, but for Community Managers and Community Association Volunteer Leaders as well.

Input from the hundreds of CAI task force participants showed that the Reserve Study Standards of the late-1990's needed to be updated to reflect the current practices and the rapidly changing technologies in the 21st Century. The updated Standards challenge the older practices such as requiring only a 20-year minimum period for the Reserve Study. This has now been updated to require the Reserve Study to cover a 30-year minimum. Previous Reserve Study practices excluded many components that had a Normal Useful Life (RUL) greater than 30 years. The new Standards require that proportional funding be provided so that a component with a 40-year Normal Useful Life would have 75% funding at the end of 30 years, for example. Previously ignored or overlooked "in the wall" common elements such as plumbing

pipes, and electrical and mechanical equipment must now be included as Reserve inventory items. Additionally, Reserve Studies previously required that replacement be "in-like-kind", meaning that you replaced each component with an identical component. The updated Standards recognize that components can be replaced with newer, more energy-efficient technology, or with components that have a lower life-cycle cost.

The updated Reserve Study Standards also acknowledge that maintenance practices are integral in planning for the future physical and financial needs of a building, and therefore need to be considered in preparing the Reserve Study. The new practices recognize that a good maintenance plan can extend the Useful Life of components. Conversely, the lack of a maintenance plan can and should result in a reduction in the Normal Useful Life of the various components. Such a reduction in Remaining Useful Life, of course, increases the amount of Reserve Funding necessary for these components.

Most importantly, the new Standards recognize that the structural integrity of buildings can no longer be ignored. While the actual structural components of a building are still not included in the Reserve Study inventory, funding for periodic professional structural evaluations of certain building types should be provided in the Reserve Study. The Taskforce on Reserves and Building Safety recommends that buildings be evaluated structurally every 10 years up to year 20. Buildings older than 20 years should be evaluated every 5 years. The exact "scope" of these evaluations is not defined within the new Standards. However, it has been suggested that the scope of these evaluations be defined by the appropriate ASTM Standard.

It is hoped that the Reserve Study Standards will continue to be a model for State and local governments that are considering legislating Reserve Studies. And it is not just State and local jurisdictions that are tightening these requirements. CAI has seen outside forces such as Fannie and Freddie, other lending institutions, as well as the Insurance industry pushing for tighter Standards.

The new Reserve Study Standards can be found on the CAI website at [www.caionline.org](http://www.caionline.org) under Reserve Study Standards. It should be noted that the updated Reserve Study Standards do not change the requirements and qualifications for applying for the Reserve Specialist Designation. ⬆



*Peter B. Miller, RS, is the President of MillerDodson Associates, Inc. He is a past member of CAI's Board of Trustees and served as a Co-Chair of the Taskforce on Reserve and Building Safety.*

*Rick McKittrick has worked as an Analyst with MillerDodson for more than 15 years.*

# Your Multi-Family Restoration Specialists



AGS Construction is a reconstruction and restoration general contractor that has been locally owned and operated in Colorado since 1982. We are a trusted partner for all your multi-family restoration needs. On time and on budget.

Look to AGS Construction for...

- Building Envelopes
- Stucco & Stone
- Retaining Walls
- Structural Repair
- Siding, Windows & Doors
- Decking
- Roofing
- Roof Anchors
- Concrete
- Water Intrusion
- Waterproofing
- Masonry
- Coatings
- Sealants
- Framing
- Plumbing
- Electrical
- Metal Fabrication
- Painting
- Construction Defects
- Deferred Maintenance
- Stair Replacement
- Traffic Coating
- Insurance Restoration



**AGS**  
CONSTRUCTION

Reconstruction &  
Restoration Specialists

» 303-933-6652  
» [www.AGSconstruction.com](http://www.AGSconstruction.com)

# Money Matters

**NICOLE BAILEY, CFP®**  
RBC Wealth Management



The funds collected and managed by community associations are designated to be used for the benefit of the association. Association governing documents require some part of the annual assessments to be set aside for the future repair and replacement of community assets. As these reserve funds accumulate, it's important to ensure the funds are available when they are needed to pay for major repairs and asset replacements. The association's reserve study provides a schedule of the reserve spending so that the association can build a plan to fund the reserve account sufficiently. The association can also work with a qualified financial advisor to structure an investment strategy that helps protect the funds and generates interest income to supplement the contributions to the account from the homeowners' assessments.



The homeowners in the community have entrusted elected members, management, and other professionals to properly manage and maintain the association. Everyone who serves the association (homeowners, board members, managers, community experts, etc) is expected to act in the best interest of the association. When selecting a financial advisor for an association, the board and community manager should seek out an advisor who acts in the best interests of the association.

Once a qualified investment professional has been engaged, the board and the advisor can develop an investment strategy that helps protect the funds, verifies they are available as needed, and generates a reasonable return given the first two objectives are met. The association's investment policy provides the general parameters that inform the strategy to be implemented by the advisor.

As part of the investment objective, the investment policy outlines the types of risk the association should avoid or attempt to mitigate. These risks often include credit risk, liquidity risk, and inflation risk. It is important to have an awareness and understanding of the other types of risk the funds could be exposed to even if they are invested in what are commonly considered "safe" investments.



All investments come with different types of risk, so it is important for the board to consider which types of risk are acceptable and which types are not. Below is a summary of the different types of risks involved with investing:

**Interest Rate Risk:**

Changes in interest rates which result in changes to the market value of the investment. (ie: Interest rates rise and the market value of bonds falls)

**Liquidity Risk:**

Investment cannot be converted to cash when the funds are needed without resulting in a loss of principal investment. (ie: Funds are in a CD that doesn't mature for 6 more months)

**Credit Risk:**

The investment's issuing entity is unable to fulfill its obligations. (ie: Bank failure)

**Inflation Risk:**

Prices of goods and services rise and the funds experience reduced purchasing power. (ie: Painting project costs \$75,000 today and \$80,000 2 years from now)

**Reinvestment Risk:**

The funds currently invested will be reinvested at a lower return in the future. (ie: Interest rates are expected to be lower in 6 months and the funds are maturing in 6 months)

In addition to the restrictions on risk, the association's investment policy includes information about the investment strategy and the relationship between the board and the financial advisor. The policy should outline the goal of the investment strategy—Why are the funds being invested? Is it to ensure the full amount of the funds are FDIC insured (beyond \$250,000)? Is the association seeking to increase the amount of interest being earned? When identifying the investment timeline, the policy should reference the reserve study. If the reserve study calls for limited spending for the next 5 years, the investment policy should not limit the investment timeline to 2 years. In alignment with the discussion of risk, objective, and timeline, the policy can identify the types of investment vehicles to be used or avoided in the account. Many policies restrict investments to certificates of deposits or investments guaranteed by the federal government, which is in alignment with the mitigation of credit risk. Some policies allow for a percentage of the funds to be placed into diversified stock positions which is in alignment with the mitigation of inflation risk. These restrictions and allowances should be carefully considered and approved by the board of directors. The board's expectations for the management and communication around the account should also be specifically outlined in the policy.

Under the fiduciary umbrella, the board of directors should partner with a qualified financial professional and adopt a comprehensive investment policy. By leaning on professionals and policies, the community may reap the benefits of long-term growth in the account in order to meet the future needs of the association. ↑



**Nicole Bailey, CFP®**, Vice President - Financial Advisor

*RBC Wealth Management, a division of RBC Capital Markets, LLC, registered investment adviser and Member NYSE/FINRA/SIPC. Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested. RBC Wealth Management does not provide tax or legal advice. All decisions regarding the tax or legal implications of your investments should be made in consultation with your independent tax or legal advisor. No information, including but not limited to written materials, provided by RBC WM should be construed as legal, accounting or tax advice.*

# How the **WRONG** Decision Could Cost You

**PAUL RIGGLE**  
AGS Construction

If you were having repair work done in your home, would you ever invite a contractor in who you have not verified their credentials or gotten references from? There is no difference if you live in a HOA community or serve on an HOA Board. The final work product you get from a third-party contractor will impact everyone in the community and a bad decision could be detrimental and even more costly in the long-run. One way to maximize the likelihood for the success of your project is to follow some best practices in selecting a contractor. By using techniques listed below, everyone will be on the same page through the evaluation, bidding, and construction process.

## 1. Document Your Selection Process:

In order to help you organize your thoughts around selecting a contractor, consider developing a written plan that documents the process you are going to use. This is a great way to help your community understand the process and avoid headaches down the road when certain members of your community ask questions.

## 2. Qualified Contractor Estimates:

Having at least three qualified estimates will help you get the best value for the best price, but equally important will help you determine how you feel about a contractor and how they will get along working in your community. You can start by getting recommendations from people you trust. The last thing you want is your community to be unhappy and you fielding complaint after complaint.

## 3. Estimate Evaluation:

Whether you have experience in the estimation process or not, the most important thing in comparing estimates

from different contractors is to make sure that what was estimated is what you specifically asked for and that you are able to compare them on an “apples to apples” basis. That means there are no items missing and nothing extra included...Think things like the same quantities, the same repair scope, the same quality, etc. One way to assist you in this process, especially for large jobs, is to use an engineer as a resource. The engineer can help with identifying qualified contractors, creating the scope of repair, providing a bidding template, evaluating the estimates, and helping you understand them. Using such a resource can help identify gaps in estimates that appear too low that could possibly cause the need for expensive change orders down the road or estimates that are too high and are either gold plated or just too expensive for the work required. Engineers can even provide oversight of the contractor to make sure the contractor performs the repairs according to design.

## 4. Communication = Success:

The single biggest factor to ensure success of your project is communication. Utilizing your given communication infrastructure is great, but on a large project, your communication strategy needs to be augmented. Does the contractor have established practices for communication? Do they use multiple methods to share information as people receive and ingest information in different ways. Types of communications you should look for include physical postings, cell phone numbers of on-site staff, 24-hour emergency numbers, online portal, document warehouse, strategies for neighboring communities, etc.

## 5. Get History & References:

Ask the contractor how long they have been in business and how has their business changed from a scope,

management, or ownership perspective. Also ask them about their safety records. Any reputable contractor should be able to provide that and give you references, but you should not stop there. Ask for specific references for a scope of work that is similar to what you are planning. You should also consider visiting the job sites for these references and talking to community managers, HOA board members and homeowners who were present during the construction.

## 6. Local & Licensed Contractors:

If you have ever tried getting support from national companies, you know how challenging it can be. Hiring a local contractor will provide much easier access to people who can help if problems arise. Local contractors have a vested interest in making things right as their reputation is key to their future success. Additionally, they are more likely to be familiar with specific building codes in your area. You'll also want to ask for their local physical address and phone number. Another key is to make sure the contractor has the proper licensing to not only work in your area, but to perform the work being asked. Not all licenses are the same, so ask for the details.

## 7. Insurance & Bonding:

Make sure to inquire to the contractor's insurance...This includes General Liability Insurance, Workers Comp, Auto, Umbrella, Excess Liability and any local special insurance requirements such as property damage, pollution or recycling. The coverage should exceed the total value of your project. Also, make sure you request that the community, the Board, property managers and any other interested party are listed as additional insured on a Certificate of Insurance. Even if you do not want to consider a bond, asking the contractor what their bonding capability can give you some keen information in making your contractor selection.

## 8. Product Advice:

Every contractor will have products and systems they are most comfortable with. These likely have worked best for them and their workforce on past projects. You should listen to a contractor's product recommendation but inquire about alternatives and why they prefer the recommended solution. If a contractor only offers one product solution,

they may be getting special discounts that they may not necessarily pass on to you.

## 9. Payment Options:

You should discuss your budget and payment options with a contractor. There is no industry standard to payment options and many contractors have multiple possibilities that if you don't ask about, may not be offered. Things to consider include special financing, early payment discounts, down payment or commencement payments, retainage, etc. Regardless of what payment option is arranged, do not pay cash. Pay by check, credit card or ACH and do so on time. Part of a good team is for all parties to do their part.

## 10. Documentation:

Ask the contractor what their documentation strategy is. This should include third party documents from engineers, city permits, daily logs, etc. All this information should be readily available to you, ideally at any time, but at minimum at your specific request.

The choice you make is an important one and will ultimately determine the success of the project and how much you will have to do throughout this undertaking. It is important to not be pressured into making a quick decision. When you have chosen a contractor, get everything in writing and make sure you read all the fine print on any estimate or contract. The contract should include a detailed description of the work, a payment schedule, an estimated start and completion date, guarantees and warranties and signatures from both parties. The small details can make or break a project when any issues or differences of opinion arise. ⬆

**At the end of the day,  
it's a decision you  
must live with.  
Take your time.  
Do it right!**



*Paul Riggle is the Vice President of Sales and Marketing for AGS Construction and works with HOAs, multifamily, residential and commercial properties for their communitywide restoration and reconstruction projects. Paul works hard to strengthen relationships between the Sales Team, Project Managers, Community/Property Managers, management companies, Board of Directors, residents, and vendors. The ultimate goal is to deliver a successful project to the customer on time, within budget and safely while exceeding expectations. "AGS wants to be your preferred contractor!"*

# how to have tough **Financial Conversations...**

**JAMES PHIFER**  
ACCU

It is not uncommon for our esteemed colleagues in the industry to shy away from discussing financial management, especially when it comes to the delicate balance between providing professional advice that may not be appreciated and keeping the coveted contract.

However, before we proceed with our discourse, let us set aside the communities that are already flush with funds, diligently following their reserve studies, and dutifully maintaining their properties. They are already living the dream and we need not bother them with our humble musings.

The number of underfunded communities that are unwilling to raise their assessments is growing, and they are facing mounting pressure from the rising costs of construction, materials, labor, and insurance.

As previously expressed by attorney David Graf: "Bad management is obvious; mediocre management is visible; yet excellent management is unseen." It's no easy task to showcase the smooth sailing of a well-managed community. Said another way, it's easy to show your worth in solving problems but it's much harder to highlight your excellence in keeping problems from arising in the first place! No judgments here -- many of us are tasked with managing a community teetering on the edge of financial hardship or already immersed in it, all while trying to meet expectations on a shoestring budget.

Managers, what are some essential resources at your disposal when dealing with an underfunded community?

## The *Right* Way



## Let's explore a few ideas:

Behold the power of the monthly management report! As the expert in the field, it's your responsibility to provide appropriate financial guidance. It falls upon the shoulders of the esteemed professional (that's you!) to navigate the treacherous waters and steer the ship in the right direction. This means making professional recommendations for responsible funding of the client, irrespective of how you believe the message might be received. There is an obvious stress that Board members will have in reaching out to their neighbors and asking for more money.

Next comes the delicate art of dealing with underfunded communities requesting bids. Please, I implore you, do not abuse your contractors. Many contractors are willing to give you a Rough Order of Magnitude (ROM) estimate. You know, the classic question of, "Will this cost us \$1,000.00 or \$100,000.00?" It's a fair question, and qualified contractors should be able to provide a ROM without significant investment of their time. If you do need a more precise estimate than a ROM, please ensure that you are sincere in considering using that vendor for the ultimate project. Bids do not cost the association anything -- but they certainly cost the vendor an investment of their time and if they repeatedly invest that time and do not get awarded the work, they will stop responding to your requests for bids.

Let's talk budgets, my fellow managers! Construct a budget that not only covers expenses but also reasonable reserves and present it to the Board during budget season. Even if your Board takes charge of their own budgeting process, I implore you all to build a budget that leaves no expense or reserve unaccounted for. And don't forget to save a copy of the budget you supplied to the Board in the designated folder for your company. If the community decides against raising assessments, you will have the data you supplied as evidence, proving that any shortfall was not the result of "mismanagement from the management company." This will surely save you from future headaches, whether it be in your current role or with a potential future management company.

Last, but not least, confide in your supervisor! Share the financial status of the community with your superior, enabling them to engage in a candid conversation with the Board. This will provide the Board with additional guidance and support during these trying financial times. Make no mistake-- if raising assessments to cover all anticipated expenses was easy, we wouldn't be having this conversation. Board members are understandably cautious in raising assessments without a

clear need to do so. So, make sure that the need is made clear to them so that they can be transparent with their owners.

Now, dear struggling Boards grappling with the financial affairs of your community, this one's for you! As inflation skyrockets and every budget line item sees a staggering increase from 10% to 1,000%, while equipment nears its end-of-life expectancy, and the underfunded reserve dilemma looms large, what options do you have for exemplary financial management?

Gather 'round, Boards! It's time for a meeting to discuss expectations, and boy, do we have some gems for you. If the community is stuck in a financial tight spot and can't afford to replace the (insert asset here) within the next (insert timeframe here), despite the dire need for repairs, make sure to communicate that information to the community. Transparency is the name of the game in association operations, and not just when the news is good.

But fear not, my friends, for clear communication is the knight in shining armor that will rescue us from a barrage of angry phone calls from upset owners. It's a win-win situation when it comes to handling the association's reputation and owners' expectations with finesse.

Ok team, let's talk bank loans! They're like magical unicorns prancing through a field of financial possibilities. Now, hold on a sec while I put on my old man hat and reminisce. "Back in my day, a Board member had to sign a personal guaranty for an association to obtain a loan." But lo and behold, times have changed! Communities can now secure a loan through an assignment of assessments (aka UCC filing), and fret not, my friends, it doesn't count against your personal credit report. A loan can inject some much-needed strength into our common elements, improving the overall quality of living and boosting resale value.

**PRO TIP!** Just be aware that if you first levy a special assessment to raise the funds and owners default or defer payment, you may not be able to go back and get a loan because your delinquency rate may be too high for the lender.

So, there you have it, folks! A delightful mix of humor and professionalism to guide us through the trials and tribulations of managing a community on a tight budget. Let's tackle these challenges head-on, and don't forget to treat your community manager and their team with kindness. 🏡



*James Phifer, President ACCU - ACCU, Inc. has been providing community management services to homeowner associations since 1979. For more information, please visit us at [www.accuinc.com](http://www.accuinc.com).*

# Unlocking the *Magic* of HO6 Insurance

**DEVON SCHAD**  
Schad Agency

When it comes to safeguarding your condominium or townhome investment, having the appropriate insurance coverage is vital. The HO6 insurance policy is specifically designed to fill the gaps left by the master insurance policy held by the association. In this article, we will delve into what HO6 insurance entails, its significance, key inquiries to make to your insurance agent or company, and the utilization of loss assessment in case you are assigned a portion of a deductible.

## **WHAT IS HO6 INSURANCE?**

Although the condominium & townhome associations typically carry a master insurance policy, it usually only covers the common areas and the structure of the building. HO6 insurance steps in to provide coverage for personal property, interior unit items not covered by the master policy, personal liability, loss of use, and other areas of coverage.



**Devon Schad** currently sits on the Board of Director for CAI Rocky Mountain Chapter, is an Educated Business Partner, and owner of the Schad Agency. The Schad Agency is a family-owned business specializing in insuring association and has since its founding in 1976.

## DIFFERENT APPROACHES TO MASTER POLICY BUILDING COVERAGE

Specific requirements for your association can be found by reading the Covenants, Conditions & Restrictions (CC&R's) or sometimes referred to as your Declarations:

### Bare-walls

The "bare-walls" only insures the basic structure of the individual building, up to the bare-walls of the unit. Unit owners are responsible for insuring their own exclusive building property, such as sinks, cabinets, appliances, flooring, and wallpaper, along with any improvements and betterments.

### Single Entity or Original Construction

The "original construction" covers most real property in a residential building, including fixtures in individual units. However, it doesn't include any structural improvements, betterments, or additions made by owners.

### All-Inclusive

The "all-in" coverage includes all real property in a residential building, including fixtures in individual units and any improvements made by owners. It replaces a unit to its original condition after a loss. In this approach, the unit owner is only responsible for their personal property under the HO6 or unit owners form or losses below the associations all other perils deductible (AOP).

It is important to note associations may have different requirements of those above and may also follow what is outlined in the Colorado Common Interest Ownership Act.

## CRITICAL COVERAGES YOU SHOULD HAVE

### Building/Improvements/Betterments

The master policy may not extend to the interior of individual units, making it important to have HO6 insurance to cover gaps in coverage. This includes walls, floors, ceilings, fixtures, improvements or alterations.

### Personal Liability Coverage

Provides personal liability coverage, protecting you in case someone is accidentally injured in your unit or away from it, or if you accidentally cause damage to someone else's property. This coverage excludes claims involving automobiles and business, which require separate coverage.

## CONCLUSION

As an owner, it is crucial to protect your investment and personal belongings. HO6 insurance offers the necessary coverage to safeguard your unit and personal property, providing peace of mind against unexpected events. Remember to ask the right questions when selecting a policy and understand the benefits of loss assessment coverage to ensure you have tailored insurance protection as a condominium & townhome owner. ⬆

### Additional Living Expenses (ALE) Coverage

In the event that your unit becomes uninhabitable due to a covered loss, HO6 insurance can cover additional living expenses such as temporary accommodation and meals until your unit is repaired or until you find a new permanent residence. If you rent your unit, this coverage can help cover the loss of rental income. Many policies only come with twelve months of coverage or a set limit which may not be enough to cover you for the time it will likely take to rebuild.

## LOSS ASSESSMENT

Many association policies have a 5%-10% wind/hail deductible where unit owners are likely to be assessed a share of that deductible following a covered loss that affects common areas or multiple units. Loss assessment coverage, typically included in HO6 insurance policies, can help mitigate this financial burden. This percentage is based on the total building value and not the loss.

As an example, an association with 10 units and a \$1,000,000 building coverage and a 10% wind/hail deductible will have a \$100,000 deductible at the time of loss. To help cover this loss, most association will assess owners a share of this loss in equal portions, assessing \$10,000 to each unit owner. Having the right loss Assessment may cover the entire \$10,000 amount assessed.

Be careful when purchasing loss assessment coverage as some carriers have added this language below:

### SPECIAL LIMIT

*We will not pay more than \$1,000 of your assessment per unit that results from a deductible in the policy of insurance purchased by a corporation or association of property owners.*

Having the language above will limit your payout  
**REGARDLESS OF HOW MUCH LOSS ASSESSMENT YOU PURCHASE.**

It is important to note that some loss assessment endorsements must be in force at the time of the loss to the association as well as at the time you are assessed.

Review your HO6 policy to determine the maximum coverage amount for loss assessments and make sure you are covered for at least the greater of the master policy all other perils deductible or the wind/hail percent deductible.

Thoughts on the

# Visible Garden Rule

Senate Bill 23-178 "Waterwise Landscaping in Homeowners' Association Communities"

DANIELLE HOLLEY  
Hearn & Fleener

Being an avid flower and vegetable gardener – and not shy to talk about it – I’ve heard from a few friends at the law firms wondering what regulations around “visible” vegetable gardens could look like. I’ll tell you, I do not mind the change. Also, I see why it causes concern for aesthetically-minded community architectural or landscape committees and the management infrastructure that has to enforce their decisions. This essay is more “thoughts for consideration” than actionable solutions, but I’d love to hear from anyone who has an opinion!

The new law, effective August 2023, includes a provision stating an association “may not prohibit vegetable gardens in the front, back, or side yard of a unit owner’s property” within single family home communities. I’m calling them “visible gardens” because “front, back and side yard gardens” feels clunky. And honestly, most of us are only worried about the visible areas of another person’s home.

My first thought is that August is great! The best time to install a new garden is in autumn so you can wake up one spring morning and do the fun part: planting. That said, it doesn’t leave much turnaround time for an association with opinions about this practice.

While a covenant community may not prohibit the choice to install a garden, implied language is that an association may regulate visible gardens without prohibiting them. How might that look? Start with the vegetable garden definition. SB 178 defines a garden as “a plot of ground or an elevated soil bed in which pollinator plants, flowers, or vegetables or herbs, fruits, leafy greens, or other edible plants are cultivated.”

What is that not? The definition does not expressly permit

greenhouses, an orchard, bee-keeping, re-wilding/meadows/ use of the whole lot, compost piles, scarecrows, neglected lawns, or marijuana plants (a whole different law). It also does not grant owners permission to do whatever they please. They are simply allowed to have a visible garden plot.

Senate Bill 178 was written and passed with intent that the law “removes barriers to water-wise landscaping practices in community associations”. Through that lens and as citizens of the American West – a desert! – I hope most of us engage this process in the spirit of saving water. As professionals working with community associations, we can work to meet association homeowners where they are on their water-saving journeys and how they wish to participate in visible gardening. A lot of them will not care or listen. And a few are about to have a crisis of passion.

**Colorado is a dry state, averaging only 15 inches of precipitation a year.**

Source: *DenverWater.org, Water-Wise Landscape Handbook*

An example being my own community built in 1962. My neighbors and I have wildly different views on how our front yards should appear, but we all seem to care:

***The woman across the street spends hours in her front yard where she harvests a multitude of flowers and vegetables each season, but it is not pretty. Components of it are stunning, but the overall effect is somewhat unfortunate looking with old pantyhose used to train vines along her front walkway.***



- Is the association open to an entire lawn being a garden?
- What kinds of structures will be welcomed? There will likely be plant supports and hail guards, season extenders, tomato cages, squirrel deterrents...

***A man next door to her has planted fruit trees and built hügelkultur berms lined with rocks where he plants pumpkins and gourds each summer. His children are often out there with him planting and picking things while his wife enjoys the shade. I haven't seen them out yet this year which makes me think they might skip this season.***

- Berms and some raised bed formats change drainage. To what extent is that acceptable?
- What happens when a homeowner chooses to stop gardening/is unable to continue caring for the visible garden?
- How many seasons/years should a garden plot go unused before it is removed? And what does removal look like?

***The family just south have a "pollinator garden" (they say) where their children have painted boards and rocks and sculptures... and left them subject to the elements. The area is not my favorite to walk by with its thistle and grasses leaning over the sidewalk, but there are a few sunflowers that emerge each year and the "wild" nepeta is some of the first pollinator food in the neighborhood come spring. And for the record, the whole family sits out front and enjoys it many times each week. They just mowed the weeds so maybe they were observing "No-Mow May"?***



- Weeds are just happy little plants growing where we don't want them. Who gets to call a plant a weed? (Please do not write a list of prohibited or classified plants. You'll make the news. Also, CSU Extension has a helpful Noxious Weed and Invasive Plants page.)

- What makes a space a pollinator garden or sanctuary?
- What constitutes a tidy garden?

***The teacher who lives between my house and the pollinator garden has a formal "Midwest" lawn with irrigated Kentucky bluegrass bordered by pink roses, white iris and purple salvia. I have never seen her enjoying it, but contractors are often tinkering with the irrigation and spraying the shrubs. I think it's pretty. I also think she overwaters and allows dubious chemicals.***

- What happens when chemicals from her lawn impact the pollinator garden? What happens when what she perceives as weeds creep into her lawn? Who is the nuisance?
- How could we encourage neighbors who do not want a visible garden to help save water?

***My front lawn is xeric with a few tomatoes hidden close to the house in a small irrigated patch. We don't sit out there often, but when we do, neighbors often stop to comment happily on the changes we have made. It is south-facing and used to be a large rectangle of bluegrass. We could not water enough after May/June to keep it from going dormant.***

- What water wise solutions might a community consider that are not visible gardens?
- Who pays to change the irrigation?

## The root growth of Kentucky bluegrass slows as temperatures increase, practically stopping once temperatures exceed 80°F—which means you may be watering as much as every other day during the summer to keep your lawn from going dormant.

Source: NaturesSeed.com, How to Water Kentucky Bluegrass

All this to say, what fits the greater neighborhood and the ethos of our neighbors? Do we want to encourage encounters with people as they walk by us doing the gardening? Do we want to proudly suggest that our people are water savers? Pollinator supporters? Do we hope that our neighborhood – like an un-bumper-stickered mid-price car – will not announce anything except its relative sensibility and safety?

I like to think about these things. It feels impossible to ask an association board or landscape committee to craft guidelines that speak for an entire community, but that is literally what our government has asked associations to do. They're tiny villages of people doing their best to live good lives and they hope their neighbors won't take exception to their choices.

As suggestions to get started "allowing visible gardens" a committee might consider the following:

### Water

Since the intent of the law is to "encourage water-wise behavior", an association might ask owners who want to install visible gardens to pay for/install/administer the appropriate watering devices and/or hand water their garden. It would be ineffectual to allow the same watering routine for bluegrass to continue once all or a portion of it has been removed in exchange for a garden. It is worth noting that Denver Water does not regulate how often a vegetable garden is watered although they do put restrictions on turf irrigation.

## Denver Water teamed with Denver Urban Gardens to track water use at community gardens, which use an average of 11 gallons of water per square foot annually.

Source: DenverWater.org, Save Water. Grow Vegetables Instead of Grass by Jessica Kirk 2015



**Danielle Holley** is a gardening enthusiast. She works at Hearn & Fleener in Littleton, CO as their Director of Client Services where she provides support to managers and association boards during their construction defect claims. She has been an active member of Community Associations Institute since 2009 and she especially enjoys the landscaping classes. She welcomes your feedback on this essay and your garden surplus.

### Design and Installation

Keeping with the spirit of the law, an association should not set aesthetic guidelines that make installation of a new garden cost prohibitive—vegetable gardeners are often thrifty types and may upcycle materials that are more charming than attractive. Associations have the right to regulate these options.

A committee should consider what might be acceptable or unacceptable. They should also consider the longevity of the materials being used. At what point does a raised bed need to be repaired or replaced?

### Maintenance

Anyone who has googled "front yard garden" knows the number one rule is to keep things tidy (so as to not ruin it for the rest of us). The term "tidy" leans subjective, but I think reminding neighbors of the concept is fair enough.

Vegetable gardens are not always lovely and aesthetics do matter. An organized and tidy plot, even if you subscribe to chaos theory, can go a long way toward making the space unobjectionable.

For me, this also means cleaning and repairing my vegetable plots in the fall. I leave plant skeletons up all winter in my flower gardens as critter habitat. This might not be a choice I would make if my only gardens were visible to the neighbors.

### Community

If nothing else, spending more time in your front garden means you'll meet the people who walk their dogs.

Should the community choose to welcome visible gardens, consider hosting a vegetable exchange at the end of the summer. It could be as simple as a table in the shade near the clubhouse or mailboxes with a sign: "Leave Your Surplus, Take Our Surplus". It could be as involved as a potluck! Maybe in the spring, the community encourages a plant exchange?

If the neighborhood is jumping in with both feet, perhaps a garden tour in August? Or a garden construction event in October? Maybe you invite/hire a landscaper to teach your homeowners how to install water-wise irrigation for their new gardens in April.

How neat would it be to see how much water the community is allowing to stay in the watershed?

At the end of the day, we are working to improve the home values and experiences of community association homeowners. Most of the work is on them. They are their own neighbors. 🏡

Love thy neighbor—and now their garden.

✂ Unearth HOA G.O.L.D. at the 2023 ✂

# MOUNTAIN CONFERENCE

&

# TRADE SHOW

Growth. Opportunity. Learning. Development.

MON. 18<sup>TH</sup> OF SEPTEMBER  
THE 18<sup>TH</sup> OF SEPTEMBER

7:30<sup>AM</sup> TO 3:00<sup>PM</sup>

## THE HYTHE

715 W Lionshead Circle  
Vail, CO 81657

REGISTER: [CAI-RMC.ORG](http://CAI-RMC.ORG)

### MEMBER PRICING

HOA LEADER: FREE  
MANAGER: \$50

### NON-MEMBER PRICING

HOA LEADER: \$15  
MANAGER: \$70

### PRESENTING SPONSORS

Altitude  
Community Law

Charles  
Taylor

Engineering  
Technical  
Services

CP&M  
General Contractors

HIGGINS  
ESTABLISHED 1988

Next-Gen  
MOUNTAIN WEST  
Insurance  
Financial  
Services

RowCal



# CAI IS 50!

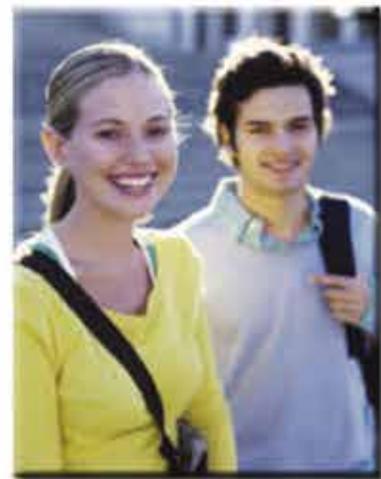
**Our year-long celebration started January 2023.**

Follow us @CAISocial, CAI Exchange, or  
check your inbox for news and information.

# **ALL Property Services, Inc.**

**Residential, Commercial and HOA Property Management**

**Serving Northern Colorado  
Since 1986**



**Community Association Management**

**Property Management**

**Commercial Management**

**[www.AllPropertyServices.com](http://www.AllPropertyServices.com)**

**Contact us at (970) 224-4445 or (970) 613-4446**

**1630 S. College Ave., Fort Collins, CO. 80525  
1113 N. Cleveland Ave., Loveland, CO. 80537**

# HB 22-1137

## ONE YEAR LATER

**DAVID GRAF**  
Moeller Graf

## financial and other impacts

HB 22-1137 (“1137”) was the most impactful community association legislation since CCIOA was adopted in 1992. CCIOA’s legislative declaration, at C.R.S § 38-33.3-102(b), states that the “continuation of the economic prosperity of Colorado is dependent upon the strengthening of homeowner associations in common interest communities financially to the setting of budget guidelines, the creation of statutory assessment liens, the granting of six months’ lien priority, the facilitation of borrowing, and more certain powers in the Association to sue on behalf of the owners enter enhancing the financial stability of associations by increasing the Association’s powers to collect delinquent assessments, late charges, fines, and enforcement costs...”

Little more than a dozen years later, SB 100, effective in 2006, was adopted as a “homeowners’ protection act” to protect owners from their associations in certain respects. Fast-forward to 2022, 1137 passes through the legislature to provide additional owner protections with respect to assessment collections and covenant enforcement, largely as a result of negative homeowner experiences in two communities within the state.

I’ve gotten to know some of the stakeholders who were behind 1137, and without exception, I have found them to be well-intentioned, decent, and reasonable people. I’ve also had conversations with some of the legislators who brought forth 1137 and I have found them to be sincere in their efforts to address what they see as the primary issues affecting community association collections and covenant



*David Graf has practiced community association law exclusively since 2001. Regarded as one of the most sought-after community association industry speakers in the United States, David has been recognized for several awards, notable CAI’s National Educator of the Year (2015). David has been admitted to the College of Community Association Lawyers (“CCAL” or the “College”). In 2018 and 2020, David was elected by his CCAL peers to the College’s Board of Governors and is the current President of the College.*

enforcement here in Colorado. I don't personally believe that any of these individuals are actively trying to destroy communities, nor are they anarchists, or opposed to holding owners to their responsibilities to their neighbors by virtue of living in a common interest community.

We don't always agree on where the pendulum should fall between vigorous enforcement of community standards and obligations, on the one hand, and a lack of enforcement of community standards and obligations for the benefit of a few to the detriment of the many, on the other hand. For everyone who doesn't have to pay their assessments, their neighbors have to absorb that debt. For those who take good care of their property, it is of little comfort when they walk out the front door and have to look at the blighted property next to them. The goal of everyone, 1137 stakeholders included, should be to find a balance where people can come back into compliance while the needs of the neighbors are honored for the most part, for most of the time.

On the topic of collections, associations had to adopt a new collection policy and essentially "retool" their collection process, time frames, and form documents based on the requirements of 1137. This created a gap in collection activity, in my experience, of about six months. I have heard reports of accounts receivable balances increasing during this window of time, and while I believe some of it is due to a lack of collection effort, some of it could also be attributed to the softening economy.

The posting of the delinquency notice on the door is an issue that caused a lot of stress to boards and management teams. The concerns were that the cost of the posting, the safety of who was doing the posting, and the potential for a negative owner experience in having a delinquency notice posted on the door early in the collections process. All of those concerns, in my experience, were valid. However, I have heard that the posting on the door has been effective in getting the attention of owners to pay their assessments.

I don't believe that anyone would dispute that the number of foreclosures filed by associations after the effective date of 1137 has fallen dramatically. There are a number of limitations on association foreclosures imposed by 1137. I've discussed this issue with a few stakeholders and other interested parties and they seem to believe that due to the falling number of foreclosures, the bill has worked as intended. I don't think that the analysis is quite as straightforward. Yes, I think that non-urgent foreclosures being prohibited is a good thing. With that said, there are times when foreclosures may be the only remedy available to a community association.

For example, I've experienced board members who were scared to foreclose on an owner notwithstanding the fact that a judgment had already been entered against them, numerous collection remedies had been pursued, and the owner still has not made a payment in several years. If all other remedies have proven ineffective and the owner appears to be intent

*continued on next page*

**J&K ROOFING**  
Calm After the Storm<sup>SM</sup>

**ROOFING & BUILDING EXTERIORS  
COMMERCIAL & MULTIFAMILY**

**35+**  
ESTABLISHED  
1984

Google  
Reviews ★★★★★

BBB  
ACCREDITED  
BUSINESS  
**A+**

- Property Condition Assessments
- Insurance Claim Experts
- Roof Replacement
- New Construction
- Maintenance & Repair

Jim Ferguson, Managing Partner jim@jkroofing.com

jkroofing.com **303-425-7531**

**SCHAD AGENCY**  
INSURANCE AND FINANCIAL SERVICES

**47 YEARS SPECIALIZING  
IN INSURING ALL HOA'S:**

- CONDOMINIUM ASSOCIATIONS
- PLANNED UNIT DEVELOPMENTS
- NEW CONSTRUCTION
- HARD TO PLACE ASSOCIATIONS

DEVON@SCHADAGENCY.COM  
303-661-0083

on not paying and not communicating with their association, foreclosure should be a reasonable remedy.

Additionally, the prohibition on foreclosing on covenant violation fines has left some of our clients without recourse for owners who are unwilling to maintain their properties to a minimum community standard after having been ordered by a court to maintain their properties and failing to do so after many months or even years. In those cases, the association is without recourse to deliver a solution to the community for a covenant problem that a judge has already determined needs to be remedied. This is not so much an economic impact to the association per se, but it is a potential impact on neighboring properties that might be up for sale and it begs the question of who has more rights-- the neighbor contemplating a loss in market value of his or her home or the owner who has steadfastly refused to maintain their property for months or even years?

On the subject of covenant violations, while there are a number of procedural issues with 1137, the financial impact of the \$500 maximum fine on a covenant violation not affecting the health and safety of the public stands out. It has been my experience that violation fines can be one of several effective tools to gain compliance. However, for many communities, a \$500 maximum fine takes that nonjudicial tool off the table. Said another way, there are some owners who would gladly pay the fine to remain out of compliance. This has the unintended consequence of increasing the possibility that an association

would have to pursue a covenant violation lawsuit because the association was prohibited by law from getting the owner's attention to remedy the violation through violation fines.

From my perspective, much of the hysteria surrounding the adoption of 1137 has not come to pass--at least so far. The burden of complying with 1137 has scared a number of self-managed boards out of being self-managed and has caused management companies, for the most part, to pass on those costs to their clients. I have heard of very few and isolated reports of people abusing the language option contained within 1137. The designated contact for communication has been a positive development. New conversations about how to address community issues amicably and inexpensively have taken place.

The true financial impact of 1137 that I worry about has not yet been felt on a grand scale. Specifically, I'm referring to the eighteen-month payment plan. We've had a number of hailstorms throughout Colorado this summer, and there will be deductible apportionments/special assessments as a result. For those owners who have not protected themselves adequately with HO6 loss assessment coverage or otherwise, if they choose to pay the assessment over eighteen months in any appreciable number, associations are going to be strained in funding necessary infrastructure repairs. When that happens, I think that we will understand that the pendulum has swung a little too far out of balance for the health of associations that maintain critical infrastructure. ⬆

# Your Community Deserves the Best Professionals

By earning CAI credentials, community association service providers demonstrate an elevated commitment to their professional education—and your community's welfare.



Explore CAI's free Directory of Credentialed Professionals at [www.caionline.org/directory](http://www.caionline.org/directory)



# ...additional thoughts

As one of the five stakeholders who brought HB22-1137 to the General Assembly for consideration, I read with relief David's conclusion that I am, we are, well-intentioned, decent, reasonable people.

Since last fall, I am also now a newly minted CAI RMC member, RMC Homeowner Leader Committee member, and RMC BOD Member at Large in a Homeowner Leader seat. I am here to work from the inside to move that pendulum David mentioned to a reasonable place.

The passage of HB22-1137 had a number of intended and achieved consequences including eliminating industry "insider" purchase of HOA foreclosures, opening up small claims court for some disputes, and others. Most importantly, it did prevent hundreds of what could only be called predatory foreclosures.

David pointed out some of the unintended consequences of that legislation. He didn't mention, however, that there are some things that were in the bill's language, that the original stakeholders didn't bring to the table either. Some of the things that "didn't work," will no doubt be addressed in the 2024 legislative session.

If we want community associations in Colorado to thrive, there are other things we can do together, to address some of the challenges we all know exist. Meaningful reform can happen without legislation or with shared stakeholder legislation. For example, I've been inspired by CAI's 2020 and Beyond Governance Panel Report and changes its authors contemplated. Transformational Homeowner Leader Education and Training is another opportunity.

While the "costs" of 1137's implementation are challenging to quantify, perhaps there's also an opportunity here to work together in innovative ways to strengthen communities, community associations, and the homeowner experience. In recognition of CAI's 50th anniversary, I like to think that's what the founders had in mind. 🏡



**Connie** is a retired Human Capital Consultant who enjoyed a career in human resource solutions for distinguished companies and organizations. In addition to being a proud Mom of two amazing adult children and a lifelong volunteer, Connie is a Student of Common Interest Communities and on a mission to strength Colorado HOAs via Homeowner Advocacy.



## CAI-RMC MISSION STATEMENT

***To provide a membership organization  
that offers learning and networking opportunities  
and advocates on behalf of its members.***



# PCAM HIGHLIGHT

Cindy Combs  
CMCA®, AMS®, PCAM®

## WHAT LEAD YOU TO THE COMMUNITY MANAGEMENT PROFESSION?

I grew up in a family-owned rental property management company, which gave me some insight. Prior to working with HOAs, I was a fire protection engineer for special hazard systems. Unfortunately, the products used for these special hazards were depleting the ozone and my area of specialty was going to be non-existent in a few years. Perfect timing to have another child and a career change. I always enjoyed the management industry and in June 1993 I answered a help-wanted ad in the newspaper and went to work for a large management company and here I am 30 years later.

## WHAT IS YOUR FAVORITE PART OF THE JOB?

There is never a boring day and just when you think you've seen everything, a new challenge appears. The best part of the job is the amazing people and relationships you build along the way. Ironically, some folks can also be the toughest part of the job and unfortunately that seems to have risen to a new level post-pandemic - but ultimately the good still outweighs the bad.

## WHAT MADE YOU DECIDE TO PURSUE YOUR PCAM?

I received my PCAM credentials over 20 years ago, in 2002. Thinking back, we had dial up internet and the content we have now just wasn't available. Many hours were spent on the phone learning as much as you could from other professionals in the industry. I found pursuing my PCAM was not only important to me, but to my clients. I wanted to be an advocate for our industry. Each class on the road to my PCAM was a learning experience. I gained much needed knowledge, contacts, and friends along the way. Earning your PCAM doesn't simply provide you with credentials but also the confidence to be a leader and has been extremely helpful throughout my career. I am very proud to be a PCAM and always will.

## WHAT WAS YOUR BIGGEST TAKEAWAY FROM THE PROGRAM?

The education I received from CAI and the PCAM case study have helped me every day. There are still times I refer back to my case study. The PCAM Case Study has inspired me to help communities that are struggling. I've been fortunate to be able to take on difficult properties at a significantly lower rate to challenge myself and my staff to give back to our community. This creates a mutually beneficial relationship and always provides us with a great sense of pride to see how far the communities have come and how grateful they are.

## WHAT IS SOMETHING YOU WOULD LIKE SOMEONE WORKING ON THEIR PCAM TO KNOW?

Block and dedicate a few hours every day to work on your case study. I did end up taking some days off in order to finish. It's the equivalent of a master's degree for our industry so the pressure is immense. It is not easy but once you have your PCAM, you are set up for success. It's worth every minute and ounce of hard work. When you get the confirmation letter, CELEBRATE - You deserve it!

## WHAT IS SOMETHING YOU WISH PEOPLE UNDERSTOOD ABOUT COMMUNITY MANAGERS OR THIS INDUSTRY?

The governing documents are essential to an HOA. These documents determine the budget, rules, responsibilities, etc. for the community. Each HOA is different but may have some similarities. The Board of Directors are volunteers from the community and make the decisions. The Manager is the liaison between the contractors, homeowners, and the Board of Directors. Residents are always encouraged to call with questions and get involved.

SERVING  
SPECIAL DISTRICTS  
THROUGHOUT  
COLORADO

Innovating banking  
solutions is our business,  
so you can focus on growing yours.

With a strong commitment to the community management and special district industries, backed by sizable national resources, Alliance Association Bank provides an unmatched level of expertise and responsiveness. Our customer-focused approach means you get a dedicated, experienced relationship manager—a single point of contact—to help with your unique needs so you're able to focus on what matters most: your business and your customers.

**Specializing in:**

- No-Fee Lockbox Services<sup>1</sup>
- Online Homeowner Payment Portal
- ConnectLive™ Software Integration
- Simplified Bank Transitions
- Full Online Banking Services<sup>2</sup>
- Extensive Deposit Solutions<sup>3</sup>

Meet Your Community Association Banking Experts:



**David Ford-Coates, CMCA**  
Vice President, HOA & Special District Banking  
(720) 885-1444  
dfordcoates@allianceassociationbank.com



**Joanne Haluska, CMCA, AMS**  
Senior Managing Director, Central Region  
(216) 314-9100  
jhaluska@allianceassociationbank.com

Bank on Accountability® | allianceassociationbank.com

**Why Choose Alliance Association Bank:**

*Alliance Association Bank has over 50 years of combined experience meeting the unique and complex banking needs of community associations. This experience, combined with our financial strength and stability, make Alliance Association Bank a key financial institution to build an alliance with to grow your business. Alliance Association Bank is a division of Western Alliance Bank, Member FDIC. Part of top-performing Western Alliance, Alliance Association Bank has the reach, resources and deep industry knowledge that make a difference for customers.*



One of Forbes' "America's Best Banks" Year After Year

<sup>1</sup>Funds deposited through the Lockbox will follow Western Alliance Bank's funds availability policy as outlined in the Deposit Account Agreement Disclosure. <sup>2</sup>Fees may be imposed for additional services related to online banking. Refer to Business Online Banking Setup and Authorization for more information. <sup>3</sup>Refer to the disclosures provided at account opening and the Schedule of Fees and Charges for additional information. Alliance Association Bank, a division of Western Alliance Bank, Member FDIC. Western Alliance Bank ranks high on Forbes' "America's Best Banks" list year after year.



**Alliance  
Association  
Bank®**



# THANK YOU TO OUR 2023 SPONSORS

## TITANIUM SPONSOR



**AGS**  
CONSTRUCTION

Reconstruction &  
Restoration Specialists

## PLATINUM SPONSORS



## GOLD SPONSORS



## SILVER SPONSORS

ADVANCED ROOFING AND SHEET METAL  
ALTITUDE COMMUNITY LAW  
ASR COMPANIES  
CHARLES TAYLOR ENGINEERING  
TECHNICAL SERVICES  
CIT, A DIVISION OF FIRST  
CITIZENS BANK  
COMMERCIAL FENCE AND IRON WORKS

EXPRESS  
HERITAGE ROOFING AND CONTRACTING  
KERRANE STORZ  
MCKENZIE RYAN MENA, LLP  
MILLER-DODSON ASSOCIATES  
MOUNTAIN WEST INSURANCE AND  
FINANCIAL SERVICES, LLC  
ORTEN CAVANAGH HOLMES & HUNT

PREMIER ROOFING  
RBC WEALTH MANAGEMENT  
REALMANAGE  
RECONSTRUCTION EXPERTS  
RILEY PASEK CANTY LLP  
SAVATREE  
SMITH JADIN JOHNSON LAW FIRM  
STELLAR PAINTING & REMODELING  
WINZENBURG LEFF PURVIS & PAYNE

# The Benefits of Membership

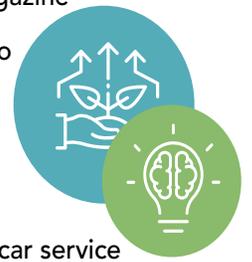
Community Managers | Management Company Executives | Homeowner Leaders | Business Partners

As a CAI member, you'll unlock access to exclusive benefits—resources and services designed to help you and your communities thrive. You'll also be able to enroll in career-enhancing CAI education and connect with nearby CAI members through your local chapter, where you can network and learn with peers and meet potential new clients.



## YOUR MEMBERSHIP BENEFITS INCLUDE:

- Automatic membership in your local CAI chapter
- Members-only, how-to resources at [www.caionline.org](http://www.caionline.org)
- Exchange, CAI's online members-only forum to ask questions, get answers, and share your expertise
- Legislative, regulatory, and media advocacy at national and local levels
- Free subscription to **Common Ground**,™ CAI's bimonthly, award-winning magazine
- E-newsletters, including the personalized **CAI@Home** with content tailored to your preferences
- Member rates for CAI education courses and certification opportunities
- 40% off for members on all books and merchandise from **CAI Press**
- Member discount programs on D&O insurance, energy solutions, and rental car service
- Member registration rates for national and chapter events
- **CAI Job Market**, the industry's leading online recruitment service
- Free listing on CAI's online **Professional Services Directory**
- **The Directory of Credentialed Professionals**, CAI's online database of trusted companies and individuals who have earned industry designations and certifications



Follow Community Associations Institute



(888) 224-4321  
[www.caionline.org](http://www.caionline.org)

# Congratulations

## RECENT DESIGNATION RECIPIENTS

Congratulations to our newest credentialed professionals! CAI credentials help ensure that your manager has the knowledge, experience and integrity to provide the best possible service to your association. Earning a CAI credential demonstrates an elevated commitment to their professional education—and your community’s welfare.

CAI-RMC is proud of the following individuals who have demonstrated a personal commitment to self-improvement and have elevated their practical knowledge and expertise:

NAME	ORGANIZATION	DESIGNATION	AWARD DATE
Katerina Karau, CMCA, AMS		AMS	06/06/2023
Katerina Karau, CMCA, AMS		CMCA	05/30/2023
Veronica Moretti Christian, CMCA		CMCA	05/16/2023

If you are a manager, insurance and risk management consultant, reserve provider, or business partner wishing to enhance your career, the information at [www.caionline.org](http://www.caionline.org) can help you. CAI awards qualified professionals and companies with credentials to improve the quality and effectiveness of community management.



## YOUR COMMUNITY DESERVES THE BEST PROFESSIONALS

By earning CAI credentials, community association service providers demonstrate an elevated commitment to their professional education—and your community’s welfare.

Explore CAI’s free Directory of Credentialed Professionals  
» [www.caionline.org/directory](http://www.caionline.org/directory)





# Welcome New Members

**William Barry Bedesem**

**Madison Brice**

**Kristie Campbell**

**Jordan Devine**

**Jeffrey J Green**

**Alison Gulley**

**Theresa Martinson**

**Israel R soto**

**Aubrey Kennan**-Associa Colorado

**Conor Smith**-BankUnited

**Billie Wolter**-Canyon Club Condominium Owners Association

**Ted Murzyn**-Elevator Technicians, LLC

**Holly Shobe**-Goodwin & Company

**Morgan Ann Speichinger**-Greeley Community Management

**Audrey Guerrer**-Infinity Roofing & Restoration

**Andrew James Harvey**-JTT Consulting

**Kathleen Young**-Lofts at Park Central Condominium Association

**Deb Coulson**-Northmoor Acres Home Owners Association

**Paul Tams**-Northmoor Acres Home Owners Association

**Norman Thielbert**-Northmoor Acres Home Owners Association

**Christy Walston**-Northmoor Acres Home Owners Association

**John Peterson**-Rivet Engineering Group

**Angela C. Watts**-Service Plus Community Management

**Sonia Eyre**-The Pinery Homeowner's Association Inc

**Stephanie M Wyche**-The Pinery Homeowner's Association Inc

**Patrick Gerard Delaney**-  
Vacasa Community Association Management

**Deanna Mathey**-Vacasa Community Association Management

**CAI VALUES  
INTEGRITY**

AMS<sup>®</sup>, PCAM<sup>®</sup>, LSM<sup>®</sup>, RS<sup>®</sup>,  
CIRMS<sup>®</sup>, and AAMC<sup>®</sup>

  
**community**  
ASSOCIATIONS INSTITUTE

» Review new changes to the designations codes of ethics at [www.caionline.org/credentials](http://www.caionline.org/credentials)

ATTORNEYS

Are you experiencing construction defect issues? We can help.  
Please call for a FREE evaluation.



370 INTERLOCKEN BLVD, SUITE 630 BROOMFIELD, CO 720.898.9680 WWW.KERRANSTORZ.COM



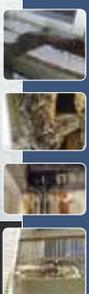
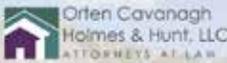
MCKENZIE RYAN & MENA, LLP  
Construction Defect Attorneys, Est. 1998

Member of the Community Association Institute

**PROTECTING THE RIGHTS OF PROPERTY OWNERS**

Advocating the rights of property owners in complex construction and insurance cases for over 20 years.

– Experience the McKenzie Ryan & Mena Advantage Today –  
**LINDSAY BOSHART | (720) 301-3590**  
Serving all of Colorado | (800) 996-1770 | mrcdlaw.com

Relationships · Solutions · Results

(720) 221-9780  
info@ochhoalaw.com  
www.ochhoalaw.com

Photo credit: Aaron J. Goodlock



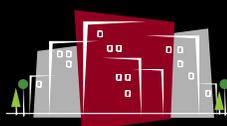
WINZENBURG  
**LEFF  
PURVIS  
&  
PAYNE** LLP  
Attorneys at Law

8020 Shaffer Parkway, Suite 300  
Littleton, Colorado 80127  
303.863.1870  
Fax 303.863.1872  
www.cohoalaw.com

Focused on Communities



CONSTRUCTION



**Prep-Rite Coatings & Contracting, LLC**  
Specializing in Interior & Exterior Contracting

Office: 303.997.4380 • Fax: 303.284.3648  
www.prepritecoatings.com

14828 W. 6th Ave., Unit 15-B • Golden, CO 80401

PAINTING • CARPENTRY • GUTTERS • DRYWALL • FREE ESTIMATES

ENGINEERING

**Justin T. Foy, RS, PRA**  
Senior Vice President- Construction Repair and Rehabilitation

Charles Taylor Engineering  
Technical Services  
5926 Molnyre Street  
Golden, CO 80403



T: +1 303 425 7272  
M: +1 303 552 2128  
E: Justin.Foy@charlestaylor.com  
www.charlestaylor.com

FINANCIAL SERVICES



**Expertise. Focus. Solutions.**

Put the leading bank for community association management companies and our award-winning technology to work for you.

[cit.com/cab](http://cit.com/cab)

Let's get started.  
April Ahrendsen, Vice President  
303.257.7273 | [April.Ahrendsen@cit.com](mailto:April.Ahrendsen@cit.com)



© 2013 First-Citizens Bank & Trust Company. All rights reserved. CIT and the CIT logo are registered trademarks of First-Citizens Bank & Trust Company. MMR12559

INSURANCE



**ELLA WASHINGTON**  
AGENCY OWNER

[ellawashingtonagency@amfam.com](mailto:ellawashingtonagency@amfam.com)

6525 Gunpark Dr Ste 360 Boulder, CO (303) 530-3444

923 E Prospect Rd Fort Collins, CO (970) 484-2881




**Your Resource for Resort Condominium and Homeowner Association Insurance**

Property	Directors and Officers
Liability	Workers Compensation
Auto	Fidelity
Umbrella	Employee Benefits

201 Centennial St., 4th Floor | Glenwood Springs, CO 81601  
(970) 945-9111 office | (800) 255-6390 toll free  
(970) 945-2350 fax | [www.mtnwst.com](http://www.mtnwst.com)




**Devon Schad**  
CAI Educated Business Partner  
433 Summit Blvd #101  
Broomfield, CO 80021

[DEVON@SCHADAGENCY.COM](mailto:DEVON@SCHADAGENCY.COM)  
**303.661.0083**

Insuring Associations Since 1976

LIGHTING

**ELECTRICAL CONTRACTOR**



**Full Service Electrical and Lighting Contractor**  
**303.429.3326**  
[www.RadiantLightingServices.com](http://www.RadiantLightingServices.com)  
[support@radiantlightingservices.com](mailto:support@radiantlightingservices.com)

Commercial & Residential / Maintenance / Service  
 Troubleshooting / 24-Hour Emergency Services

MANAGEMENT SERVICES

**MARK KREGER**  
 VICE PRESIDENT



Request for Proposal

1873 S. BELLAIRE STREET  
 SUITE 1500  
 DENVER, COLORADO 80222

DENVER (303) 733-1121  
 DURANGO (970) 744-8712  
 DIRECT (303) 339-9710

✉ [MARKKREGER@ACCUINC.COM](mailto:MARKKREGER@ACCUINC.COM)  
[WWW.ACCUINC.COM](http://WWW.ACCUINC.COM)



Colorado Association Services



BRINGING COMMUNITY TO COLORADO.  
[www.associaolorado.com](http://www.associaolorado.com) | [partners@associaolorado.com](mailto:partners@associaolorado.com)



**GOODWIN & COMPANY**  
 ASSOCIATION MANAGEMENT



14901 E Hampton Ave #320  
 Aurora, CO 80014  
 Office: 303-693-8998  
 Web: [Goodwin-co.com](http://Goodwin-co.com)

Scan for instant access!




Integrity HOA and Asset Management  
 Lallis AC Jackson, MBA, CMCA, PCAM  
 CEO

**Full Service HOA and Asset Management Services**  
 Residential, Multi-Family & Commercial

720-735-0053 (o)  
 719-321-9845 (m)  
[Lallis@IntegrityHOA.com](mailto:Lallis@IntegrityHOA.com)  
[www.Integrityhoa.com](http://www.Integrityhoa.com)



MANAGEMENT SERVICES



Westminster  
 Centennial  
 Windsor  
 Colorado Springs

Professionals In Association Management

**Serving the Colorado Front Range for Over 38 Years**

Full Service Management & Accounting Services  
 ✓ Single Family Associations ✓ Condominium  
 ✓ High Rise ✓ Commercial ✓ Metropolitan Districts

For Inquiries Contact **John Field, President**  
 at 720.974.4123

[www.msihoa.com](http://www.msihoa.com)

**LET REALMANAGE TAKE CARE OF YOUR COMMUNITY**

We're not just a management company. We're your partner in creating community.

Get Started Now!




RealManage.com | (866) 403-1588




**RowCal**  
 THE SMARTER WAY TO HOA

Eleen Beisner

303.927.0900 | [Eleen.Beisner@RowCal.com](mailto:Eleen.Beisner@RowCal.com) | [RowCal.com](http://RowCal.com)  
 5995 Greenwood Plaza Blvd, Suite 240, Greenwood Village, CO 80111

PAINTING

A Stellar Job from Start to Finish



**STELLAR**  
 PAINTING & REMODELING

CALL TODAY!  
**720-981-STAR**

17 YEARS IN BUSINESS SINCE 2004!

[StellarPaintingAndRemodeling.com](http://StellarPaintingAndRemodeling.com) • EMAIL: [sc.stellar@choosestellar.com](mailto:sc.stellar@choosestellar.com)

**Do Business with a Member!**



RESTORATION



**AGS**  
CONSTRUCTION  
Reconstruction &  
Restoration Specialists

303-933-6652

*The source for all your reconstruction needs*

Stucco - Siding - Masonry - Concrete - Civil - Roofing

ROOFING



**MY ROOF REPS** Independent Inspections  
Insurance Claims  
Construction Oversight

Jim Walters **303-242-6952**  
JimW@MyRoofReps.com  
www.MyRoofReps.com

ROOFING

Jim Ferguson  
Managing Partner  
jim@jkroofing.com



**J&K ROOFING**  
Calm After the Storm™





Roofing & Building Exteriors | Commercial & Multifamily

**jkroofing.com 303-425-7531**

WEALTH MGMT.

West Wealth Management  
Investing with integrity since 1987

Gene T. West, Nicole Bailey  
5251 DTC Parkway, Suite 1200  
Greenwood Village, CO 80111  
(303) 488-3663 | www.genetwest.com



Investment and insurance products: • Not insured by the FDIC or any other federal government agency • Not a deposit of, or guaranteed by, the bank or an affiliate of the bank • May lose value

© 2019 RBC Wealth Management, a division of RBC Capital Markets, LLC. Member NYSE/FINRA/SIPC. All rights reserved. 19-OT-0671 (12/19)

SIGNAGE

New Monuments | Regulatory Signs  
Monument Refurbishment | Consulting  
ADA Compliant Signs | Street Signs



(303) 696-6106  
(800) 869-6376  
www.ArchitecturalSigns.com

7302 South Alton Way, Suite B, Centennial, CO 80112



**Heritage ROOFING & CONTRACTING**

Brad Gramke  
Owner  
(720)249-9605

**Top 100**  
Roofing Contractors

6508 S. Racine Circle  
Centennial, CO 80111  
(303)794-3573

155 E. Boardwalk Dr., #412  
Fort Collins, CO 80525  
(970)230-3313

102 Tejon St., #1100  
Colorado Springs, CO 80903  
(719)693-3473

www.HeritageRoofing.com  
info@heritageroofing.com



**PREMIER ROOFING COMPANY**

**MULTI-FAMILY ROOFING SERVICES**

We restore and repair multi-family properties, both steep and low slope. There is no project too big or too small; we have the proper team in place to help you.



Local Team NATIONAL RESOURCES  
Comprehensive INSPECTION REPORTS  
Assistance on INSURANCE CLAIMS

CALL TODAY TO TAKE ADVANTAGE OF PREMIER'S AWARD-WINNING SERVICE!

303-844-6736 • WWW.PREMIER-ROOFING.COM/MFA

**Do Business with a Member!**



**shopping**  
MADE SIMPLE AT CAI PRESS



Shopping online is now quicker and easier at CAI Press. Now you can buy books and merchandise, register for events and sign up for courses by logging on one time and completing orders in a single transaction. And the new store saves your contact information, including billing and shipping addresses, allowing you to check out even faster.

In addition to a streamlined order process, the store's My Transactions feature lets you view your order history, print receipts and track UPS shipments.



Visit [www.caionline.org/shop](http://www.caionline.org/shop) today!

SHOP JOIN EVENTS MY ACCOUNT MY TRANSACTIONS



# Solving Conflict

## 5 STEPS TO IMPLEMENTING AN ALTERNATIVE DISPUTE RESOLUTION PROGRAM

Most community associations will face some form of conflict. Many turn to alternative dispute resolution and consensus building to foster greater understanding and improve communication. This constructive, people-centered strategy is far less costly than the traditional justice system and promotes harmony rather than discord among neighbors.

Alternative dispute resolution does not replace the legal system. It's intended to make the legal system work more efficiently because it will separate and examine all of the substantive, procedural, and psychological issues that comprise a dispute, leaving a clearer picture of what should legitimately be left to the courts and what issues would be impossible or inappropriate for the courts to resolve.

Follow these five steps to implement an alternative dispute resolution program in your community:

- 1. Develop a policy of proactive conflict management.** Community association board members and managers should obtain training in negotiation and mediation. Publicize the association's commitment to preserve relationships through constructive conflict resolution. Modify association documents to mandate alternative dispute resolution prior to legal proceedings.
- 2. Maintain strong communication with members.** Studies show that most conflict results from poor communication. Contact members at the first hint of a communication breakdown. The earlier the association intervenes, the fewer financial, social, and emotional costs it will incur.
- 3. Involve those closest to the problem.** A satisfactory and timely resolution means working with the individuals directly involved in the conflict.
- 4. Seek reasonable solutions.** Association boards and managers must blend the elements of business, government, and community. Their resolution strategies must be technically and legally sound, workable, and socially responsible. If the board and manager overemphasize legal issues, they can turn minor problems into major battles. Do not overlook the human factor when making a decision.
- 5. Supplement—don't replace—the legal system.** Litigation often is a legitimate approach to resolving a dispute, but litigants frequently misuse the legal system by expecting it to work out their problems for them. The truth is that the justice system can only address specific issues from a legal standpoint. This is why litigation often is an ineffective means of resolving disputes over the long term. A dispute comprises many dimensions. What is repeatedly identified as the cause of the conflict—and the issue that ends up in court—really is a smoke screen for the true dispute. Consequently, after the issue is decided in court, the root cause of the conflict remains.

» Learn more about alternative dispute resolution in *Conflict Resolution: How ADR Helps Community Associations*. [www.caionline.org/shop](http://www.caionline.org/shop)

LEGAL DISCLAIMER: This document was developed by Community Associations Institute (CAI). Community associations are governed by state law, which can vary widely from state to state. Please note that the content contained in this document is intended to be used for general educational and informational purposes only. Although we try to keep the information contained in these documents up to date, it may not reflect the most recent developments, and it may contain errors or omissions. CAI has not compared or reviewed this document relative to the law in any state and does not warrant or guarantee that the contents of this document comply with the applicable law of your state. The contents of this document are not intended to be a substitute for obtaining advice from relevant experts. Community associations should seek the advice of relevant experts before taking any actions.

  
**community**  
ASSOCIATIONS INSTITUTE

[www.caionline.org](http://www.caionline.org)

## 2023 CAI-RMC Committee Chairs

### ACTIVITIES

**Tressa Bishop**  
(720) 370-6300  
tressa.bishop@usi.com

**Mike Kelsen**  
(303) 790-7572  
mike@aspenrs.com

### EDITORIAL

**Nicole Hernandez**  
(719) 922-6366  
nicole.hernandez@ppbi.com

**Meaghan Brown**  
(303) 933-6652  
mbrown@agsconstruction.com

### HOMEOWNER LEADERSHIP COMMITTEE

**Patrick O'Hayer**  
(720) 200-2830 x303  
patrick.ohayer@realmanage.com

**Kiki Hennigan**  
(720) 556-7022  
khennigan@eastwestum.com

### MARKETING & MEMBERSHIP

**David Ford-Coates**  
(720) 885-1444  
dfordcoates@allianceassociationbank.com

**Lauren Morley**  
(720) 281-8729  
Lauren@cpandm.net

### MEMBER FORUM COMMITTEE

**Denise Haas**  
(720) 961-5150  
denise@5150cm.com

### MOUNTAIN CONFERENCE & ANNUAL MEETING

**April Ahrendsen**  
(303) 257-7273  
april.ahrendsen@firstcitizens.com

**Hollies Sutton**  
(970) 875-2808  
hsutton@steamboatassociations.com

### NOMINATING COMMITTEE

**Jeff Kutzer**  
(720) 977-3859  
jeff.kutzer@mdch.com

### PROGRAMS & EDUCATION

**Alyssa Chirlin**  
(720) 550-7280  
achirlin@sjjlawfirm.com

**Natalie Tuccio**  
(303) 783-2562  
natalie.tuccio@reconexp.com

### SPRING SHOWCASE & TRADE SHOW

**Bryan Farley**  
(303) 394-9181  
bfarley@reservestudy.com

**Kacie Dreler**  
(303) 530-0700  
kdreler@havencm.com

## CAI National Committee

### CLAC

**Danaly Howe**  
(970) 818-5247  
danalyclac@ccgcolorado.com

Come one, come all.  
**Share the community!**



**Join up to 15 board members for only \$250!**

We now make it easier for your **entire board** to join CAI at the **lowest cost.**

CAI membership provides your board members the best resources and education to stay informed.

Join your entire board and they'll enjoy all of the benefits of CAI membership. For more details, visit [www.caionline.org/ShareTheCommunity](http://www.caionline.org/ShareTheCommunity)



**community**  
ASSOCIATIONS INSTITUTE

## CAI Social Media Roundup

Love CAI? Of course you do!  
You can also Like, Friend & Follow CAI-RMC and CAI National



Twitter  
[www.twitter.com/CAIRMC](http://www.twitter.com/CAIRMC) (Local)  
[www.twitter.com/CAISocial](http://www.twitter.com/CAISocial) (National)

Facebook  
<http://www.facebook.com/cai.rmc> (Local)  
<https://www.facebook.com/CAISocial> (National)

LinkedIn  
<https://www.linkedin.com/company/42079> National Company Page  
<https://www.linkedin.com/groups?gid=39092> National Group



# You Didn't Volunteer to be the Trashcan Police.

Rise above day-to-day hassles of HOA & rental property management, and focus your energy where it belongs—on building a stronger Denver community with higher property values and positive homeowner connections.



RowCal

Experience the smarter way to HOA at [RowCal.com/Smarter](https://RowCal.com/Smarter)



CAI Rocky Mountain Chapter  
11001 W 120th Ave, Suite 400  
Broomfield, CO 80021

STANDARD  
U.S. POSTAGE  
**PAID**  
DENVER, CO  
PERMIT NO. 2897

# CAI-RMC EVENT CALENDAR

## August

<b>29 Tue</b>	Community Association Workshop
---------------	--------------------------------

## September

<b>18 Mon</b>	Mountain Conference & Annual Meeting
---------------	--------------------------------------

## October

<b>20 Fri</b>	Annual Clay Shoot
---------------	-------------------

<b>24 Tue</b>	CEO Management Co Forum
---------------	-------------------------

<b>31 Tue</b>	Community Association Workshop
---------------	--------------------------------

## November

<b>07 Tue</b>	Peak 3 - Insurance
---------------	--------------------

<b>14 Tue</b>	CEO Management Co Forum
---------------	-------------------------

## December

<b>01 Wed</b>	Annual Celebration & Board Installation
---------------	---

To register for CAI LIVE Webinars  
go to  
[www.caionline.org/learningcenter/webinars](http://www.caionline.org/learningcenter/webinars)