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# COMMUNITY LIVING

Spring 2020

**The Southeast Florida Chapter of  
CAI thanks you all as we surpass  
500 members!**

## In This Issue...

- Designation Stories
- Construction Progress Payments
- Balcony Tile Installation
- Banking and Online Security
- Innovations in Lake Management
- Association Reserves

**Coronavirus Update:**  
Please see the Calendar  
on page 3 for event  
postponements

Join us for our CAI-SEFL-hosted party at  
National Conference, "License to Chill", on  
June 11<sup>th</sup> at Margaritaville Hollywood Beach.  
National Conference is at the Diplomat  
from June 10-13.

  
community  
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# License to Chill Chapter Party



NATIONAL CONFERENCE IS COMING  
TO HOLLYWOOD! THE SOUTHEAST  
FLORIDA CHAPTER IS HOSTING A  
PARTY AND YOU ARE INVITED!

Thursday, June 11, 2020  
7:00pm to 10:00pm

Shuttle buses from the Diplomat to  
Margaritaville begin at 6:45pm.

Tickets are \$125 and include two drinks with  
a light dinner, music and all of the fun  
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For all the information, contact  
CED Jill Proietti at 954-816-0661.



CONTACT CED JILL PROIETTI FOR INFORMATION:  
954-816-0661 OR CED@CAI-SEFLORIDA.ORG



# community LIVING

Spring 2020

Volume I, Issue 30

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Jill Proietti

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'Community Living' is published quarterly by the Southeast Florida Chapter of the Community Associations Institute, 304 Indian Trace, Ste. 538, Weston, FL. 33326

POSTMASTER: Please send address changes to 'Community Living' c/o CAI-SEFL,

304 Indian Trace, Ste. 538, Weston, FL. 33326

This publication attempts to provide CAI's membership with information on community association issues. Authors are responsible for developing the logic of their expressed opinions and for the authenticity of all presented facts in articles. CAI does not endorse or approve statements of fact or opinion made in these pages and assumes no responsibility for those statements. This publication is issued with the understanding that the publisher is not engaged in rendering legal, accounting or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

Design by Jeff Solomon's The Support Depot, 954-501-9797

## WHAT IS CAI? Over 42,000 Members and Growing!

Community Associations Institute (CAI) is a national organization dedicated to fostering vibrant, competent, harmonious community associations. For more than 40 years, CAI has been the leader in providing education and resources to the volunteer homeowners who govern community associations and the professionals who support them. Our members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to associations. Our local chapter serves over 400 members with annual events including Trade Show & Expo, Golf Tournament, CAM & Board Member Education events and so much more.

## READER COMMENTS & ARTICLES ARE WELCOME

Columns and ideas from all our members are always welcome. Send submissions in Microsoft Word format to: ced@cai-seflorida.org

Articles appearing in *Community Living* reflect the author's opinion and not necessarily that of CAI. Acceptance of advertising does not constitute an endorsement of the product or service.

National on the web: [www.caionline.org](http://www.caionline.org)

SE FL Chapter on the web: [www.cai-seflorida.org](http://www.cai-seflorida.org)



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Mar. 18: **Miami Networker**- Ball & Chain; POSTPONED

Mar. 31: **Hot Topics Breakfast**\*- POSTPONED

Apr. 3: **Annual Golf Tournament**- POSTPONED

Apr. 22: **Sponsor Appreciation Dinner**- POSTPONED

Apr. 28: **Hot Topics Breakfast**\*- POSTPONED

May 7: **Miami Networker**- location to be determined soon; 5:30pm

May 26: **Hot Topics Breakfast**\*- Monthly Broward Breakfast Meeting  
1-hour CE credit after breakfast. CAI CAM Members eat FREE!

June 30: **Hot Topics Breakfast**\*- Monthly Broward Breakfast Meeting  
1-hour CE credit after breakfast. CAI CAM Members eat FREE!

July 28: **Hot Topics Breakfast**\*- Monthly Broward Breakfast Meeting  
1-hour CE credit after breakfast. CAI CAM Members eat FREE!

\*Check [cai-seflorida.org](http://cai-seflorida.org) for specifics of each "HOT TOPIC-HOT BREAKFAST." Registration and payment links also provided online! All events listed above are subject to change.



## From the Desk of the Executive Director

Jill Proietti, CED, [ced@cai-seflorida.org](mailto:ced@cai-seflorida.org)



Greetings! WE DID IT! WE ATTAINED OUR GOAL OF 500, reaching 515 by the end of February 2020! We are so excited and could not have done it without you, our awesome members and sponsors!! THANK YOU!!

We have had an amazing beginning to the year, holding our first networking event at Shooters in Ft Lauderdale on February 5, with a crowd of over 80! Next, we return to our 4th Annual Ball & Chain extravaganza, on Wednesday, March 18, and always a fan favorite with the Miami crowd! We will continue to bring fun events to Miami; surprises will be coming your way!

Later in the year, Sept 11, 2020, we will be hosting our 2<sup>nd</sup> Annual Monroe County event in Islamorada at the enchanting Islander Resort. Anticipate a great mix of education and networking! Stay tuned to our website -- [cai-seflorida.org](http://cai-seflorida.org) – for further details on that and all other events.

Our monthly breakfast at Jacaranda County Club continues to be very popular, which still includes our Manager Members enjoying the Hot Topics/Hot Breakfast networking and CEU opportunity for **FREE** each month!

The Annual Golf Tournament will take place on Friday, April 3, 2020, returning to Jacaranda Country Club. Each year the tournament gets bigger and better and we are anticipating this year will be no exception. We had a total of 156 golfers last year, so if you have never golfed with us, you should join in on the fun! There are games and raffles, drinks and oh, yes, golfing!! This year we are changing things up, with registration and breakfast beginning at 7am and shotgun start will be at 8am!

Our Annual Sponsor Appreciation Dinner will be Wednesday, April 22nd, at a brand new venue for us, the sister property to Shooters, Grateful Palate. The popular Pier 66 is undergoing a huge renovation. If you are interested in attending, you better act fast, as these tickets sell out almost every year. A big **Thank You** to our Chapter Sponsors, you are the reason our chapter continues to thrive and grow and is the successful chapter it is!

This year the Chapter Expo is going back to the old standard and will likely take place in September. Details are being wrapped up and will be announced as soon as finalized. We encourage suggestions and participation on our committees so that we may bring you all the programs you, as members, are interested in. Please feel free to email me at [ced@cai-seflorida.org](mailto:ced@cai-seflorida.org) or call 954-816-0661. Please check our website regularly for all of our upcoming events; you wouldn't want to miss anything! I look forward to seeing you at our next event!



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# WELCOME...or WELCOME BACK!



*We welcome our new (and renewed/re-joined) Chapter Members! November 9, 2019 to March 3, 2020. New members highlighted in bold. See you at our next event!*

## Business Partners

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*If you are not receiving CAI emails and news, please log in to your National account to confirm all of your contact information.*

*Note: existing companies and organizations may appear in bold (as new) if they added new individual members through the company, as Business Partner Members. In addition, existing individual members may appear as 'new' if he/she rejoined while changing membership type.*



## My Reserve Specialist (RS) Designation: What it means to me

-Will Simons, RS, President of Association Reserves



The Reserve Specialist (RS) credential was created back in 1998 when CAI adopted the National Reserve Study Standards. Since then, it has remained the most important and highly-regarded credential for professionals in the field of Reserve Study preparation. The credential can only be earned through a specific combination of education, experience, and

professionalism, which helps explain why there have only been a few hundred individuals that have ever obtained it. In addition to the educational prerequisites, applicants must also submit detailed client references, a list of clients showing sufficient volume of experience, and a sample work product that demonstrates compliance with the National Reserve Study Standards for reporting requirements and disclosures.

For me, receiving my RS in Las Vegas at the 2010 CAI National Convention was a pivotal moment in my life because I realized I was on a unique path that very few had walked before me. As I recall, there was only one other RS recipient that day, and it's very common that only a handful of people earn it each year. As in any industry, there's a distinction in the Reserve Study field between amateurs and professionals. From my perspective, credentialed Reserve Specialists deserve special recognition because we make the extra effort to further our knowledge and professionalism for the sake of our clients. We don't just go along doing the bare minimum required to move on to the next project. Reserve Specialists care about the industry as a whole, and we recognize that the work we do directly affects our clients' livelihoods. For most people, strong, consistent property value is critical to their overall financial health, and the work that we do helps protect and preserve that value over the long term.

Being a Reserve Specialist is a very unique occupation that draws people from varying backgrounds. Some come from more technical fields such as engineering, architecture, and construction management, while others like myself come from a more general field such as business or accounting. We've also had very successful Reserve Specialists that have come from property management and other roles in the community association world. After more than a decade in this field, I've been very pleased to see the industry continuing to grow and develop, always striving to uphold the high standards that community leaders deserve from us. In addition, I've enjoyed the special privilege of mentoring staff members from our company that have gone on to receive their own RS credentials, which has allowed me to give back to CAI in the form of helping to create the next generation of leadership within our industry. It's been an honor to be able to contribute back to CAI and the profession that has done so much for me!

## What is CIRMS and what does it mean for me, the Insurance Professional and for Associations?

-Sally Mevers, CIRMS, Acentria Insurance



The CIRMS designation is the highest level of recognition awarded by Community Associations Institute (CAI) to members of the insurance and risk management profession. When you work with a CIRMS, you can be confident that your insurance advisor understands their obligation to your community and is dedicated to the profession.

A CIRMS commits to upholding the highest ethical standards, we are held to strict rules of conduct outlined by CAI's Professional Code of Ethic for Insurance and Risk Management Professionals.

A CIRMS carries a level of knowledge that ensures the community association is prepared for the unexpected by:

- Consulting, advising and providing insurance services to help protect the community from accidents or disasters
- Conducting reviews, loss-controls inspections and program analyses
- Performing cost-benefit analyses so board members have information on which to base decisions
- Educating board members so they can make knowledgeable decisions and helping them educate residents on how to avoid their own losses
- Offering recommendations on choosing programs that fit the needs of the community association
- Advising community associations on how to reduce risk or transfer it to another party.

Professional guidance can make the difference between prosperity and distress for the community association. The right insurance coverage and comprehensive strategy for managing risk are essential to preserving your community. To ensure your community is successfully protected from loss, look for insurance providers who have earned the Community Insurance and Risk Management Specialist (CIRMS) designation. The CIRMS designation is evidence that the individual who holds it has specialized knowledge and understanding of the complex insurance and risk management requirements of community associations.

There are many designations out there for insurance agents, but there is only one that is specifically designated towards those who specialize in community associations.

For me, achieving this designation has provided me with a level of confidence and expertise which I bring to every client I work with. I feel that I am part of an elite group of industry specialist who care enough to provide the best advice in order to make the community a better place to live.





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## Construction Progress Payments: The Hidden Trap

Jeffrey Rembaum, Esq. BCS; Kaye Bender Rembaum

The owner of real property can end up paying twice when they pay their general contractor who, in turn, fails to pay the subcontractors and suppliers. However, this very real consequence can be avoided, too. While drafted to protect contractors and suppliers, Florida law also provides substantial protection in favor of the consumer (a.k.a, the “property owner”) from having to pay twice for construction supplies and for the work itself. However, the property owner only has the protection if the process outlined in section 713.13, Florida Statutes (2019), is strictly followed. While the statutory regime can be difficult for the layman to interpret, it is not an overly complicated process to follow once understood. That said, even if an owner strictly follows the statutory regime to protect themselves from having to pay twice, many general contractors and their attorneys have found a way to dilute the consumer protection afforded by the statute and, thus, still expose the the owner of the property to the risk of having to double pay for the work. To understand the problem at hand, the overall payment process from the owner to the general contractor as contemplated by Florida’s legislation must be understood.

To start the process, the owner is required to file what is referred to as a “Notice of Commencement.” Amongst other things, the Notice of Commencement identifies the general contractor and the legal description of where the work is to be performed. It is recorded with the local county clerk’s office so that it is a part of the county’s official records. The purpose of the Notice of Commencement is to inform all subcontractor’s and suppliers that if they intend to provide goods and/or services to the property, and if they want to have proper legal standing to record a lien against the property in the event they are not paid, that the subcontractor and supplier must serve a “Notice to Owner” to the owner.

Most importantly, the Notice to Owner informs the property owner of all subcontractors working under the general contractor and all suppliers who provide supplies and materials to the job site under the direction of the general contractor or a subcontractor. In this way, the owner is informed of all of the subcontractors and suppliers working under the direction of the general contractor.

In exchange for payments to the general contractor, the general contractor provides the owner with partial payment affidavits for each payment and a final payment affidavit

upon conclusion of the work at hand. The subcontractors and suppliers provide the owner “partial releases” for the payments received from the general contractor using the general contractor as the delivery conduit to deliver the partial release to the owner.

Because the owner enters into contractual “privity” (meaning, “a close connection”) with the general contractor, but not the subcontractors and suppliers, the owner provides all payments due to the subcontractors and suppliers to the general contractor who is responsible to pay all subcontractors and suppliers. But, how does the owner have assurances that the money paid to the general contractor is properly provided to the subcontractors and suppliers? Well, that is where the Notice to Owners received by the owner come in very handy. Since the Notice to Owner informs the owner of all subcontractors and suppliers hired by the general contractor expecting payment, the owner can, and most certainly should, contractually require that the general contractor provide the owner with partial releases from those subcontractors and suppliers as proof of payment. In fact, section 713.06(3)(c)2., Florida Statutes (2019), provides that “[l]ienors [referring to and meaning the subcontractors and suppliers] receiving money shall execute partial releases... to the extent of the payment received.”

Sounds simple, right? Pay the general contractor and receive partial payment releases (a.k.a, a receipt) from the subcontractors and suppliers so that they cannot later claim they are unpaid and thus, be in a position to record a lawful lien against the owner’s property. The question is when should the subcontractors and suppliers provide their partial releases? Should the subcontractors’ and suppliers’ partial releases be provided by the general contractor to the owner contemporaneously with a progress payment, or should the subcontractors and suppliers provide their partial releases only after payment is received meaning the partial releases will only be at least one progress payment behind.

In order to be fully protected from the risk of double payment, the general contractor must obtain the partial releases from the subcontractors and suppliers in advance of payment from the owner. It is as though the statutory process at hand contemplates that either the subcontractors and suppliers trust the general contractor to the extent that they provide their partial release to the general contractor in advance of payment so that the partial releases can be provided to the owner in immediate exchange for payment from the owner. Or, the statutory process implies that the general contractor has sufficient funds to pay the subcontractors and suppliers prior to payment from the property owner so as to be in a position to obtain the partial releases from the subcontracts and suppliers to provide to the owner in exchange for a partial payment.

Continued on page 28



# Is your management company providing the layered support your community needs?

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# Are You Regulating Tile Installation In Your Building?

## Pitfalls in Improper Balcony Tile Installation

-Patrick St. Louis, LEED Green Associate and Matthew Olender, P.E., S.I.

A high rise condominium owner may consider tile installation on an exterior balcony as a sound investment for not only improving the aesthetics and property value but protecting the exposed concrete balcony. Most of the time unit owners are responsible for the tile and hire contractors directly without any consideration of design. This leads to improper tile installation resulting in costly building problems including:

1. Poor drainage leading to premature delamination of the concrete and in some cases water intrusion within the unit or units below.
2. Accelerated deterioration of aluminum handrails and window/door frames.
3. Efflorescence from tile setting materials dripping down the building onto windows, doors, handrails, stucco, etc.
4. Code violations regarding height of the handrail.

### Poor Drainage



Typical residential high rise balconies are designed to drain over their edges with the concrete being sloped at 1/8" per foot. Tile installers often flatten out the balconies with the tile installation for aesthetic purposes leading to poor drainage of the balcony. In extreme cases the tile installation raises the finished surface of the balcony above the finish surface inside the unit leading to interior water intrusion. Other drainage problems with tile installation include blockage of window/door weeps, scuppers and drainage at the balcony edge. Proper tile installation considers the balcony drainage.

### Setting Materials Corroding Aluminum



Cementitious tile setting materials react with aluminum causing accelerated corrosion when in direct contact with one another. Tile installers often do not take enough care to separate these materials when installing tile. The setting materials are installed directly onto the aluminum handrails and window/door frames resulting in significant corrosion within 5-10 years. Proper tile installation separates these highly corrosive materials using sealant joints. The paint/coating on the windows/doors/handrails typically does not provide the appropriate protection.

### Efflorescence

Efflorescence occurs when water contacts materials containing salts and minerals such as those typically present in tile setting materials on balconies depositing them on the building. Proper drainage design and tile setting material selection will eliminate or minimize the amount of efflorescence coming out of a balcony. However, oftentimes tile installers use improper materials or poorly installed materials leading to efflorescence. Proper tile installation includes setting materials with low efflorescent qualities and good drainage.



Continued on page 23



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## Future of Banking: Internet Security and Fraud Mitigation

### -Popular Association Banking

When it comes to cybersecurity and the inherent risks associated with internet and mobile banking, the future is already here. The Association for Financial Professionals conducted its annual Payments Fraud and Control Survey and found payment fraud and data breaches are increasing. Neither huge corporate giants like Target and American Express nor small mom-and-pop stores are completely immune.

Cyber threats also affect community associations, which hold sensitive information about their homeowners. To avoid becoming victims of internet fraud, all communities should follow the recommended best practices and use all available defenses. A Cyber Liability insurance policy can provide coverage for these perils, but education and proactive measures are the best defenses.

Financial institutions are taking the necessary steps to secure their customers' assets, information, and identity. Many banks today have partnered with malware service providers to prevent phishing; to provide secure access to their websites; and to detect, prevent, and remediate mobile threats.

Additionally, many banks offer online banking tools that provide additional security and rigorous safeguards, including:

- Strong password requirements
- Protection from credential harvesting - gathering authentic login credentials
- Authentication features to verify valid users

Other online banking safeguards include:

- Requiring dual approvals to add, change or delete users
- Requiring dual approvals to change wire and electronic payment instructions
- Granting unique access and functions for each user
- Providing alerts that report account activity immediately
- Setting limits on financial activity for each account user

Positive Pay is another online banking safeguard. When a check is deposited or cashed, the automated fraud

detection tool matches the account number, check number, and amount against a list of checks previously authorized and issued. The check must match the details provided by the issuer, or the check will not be paid.

### Cybersecurity Tips

Individuals can take steps to protect their accounts too. Follow these do's and don'ts:

#### **Do:**

- Review bank accounts daily. Vigilance is the first line of defense
- Maintain separate workstations when working with sensitive accounts and critical systems
- Change passwords often and make them complex
- Install personal firewalls and update rules regularly
- Log out of the banking website after you're done using it.

#### **Don't:**

- Open emails from unknown sources
- Install software from unknown sources or websites
- Record passwords
- Click on unknown internet links
- Use a generic user ID.

By following these steps diligently, and partnering with a bank that safeguards your data and privacy, you can do your best to combat the rising threat of cyber fraud.

Popular Association Banking ("PAB"), a division of Popular Bank, has been an industry leader in providing financial products and services to community associations for more than 20 years, with an active lending platform in 30 states. Cybersecurity features are available at Popular Bank, where we value your trust and care about your peace of mind. Contact us to learn more at 800.233.7164 or [www.associationbankers.com](http://www.associationbankers.com).





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CED Jill Proietti (first from left) and Diana Bazan (second from right) represented our Chapter at the Cooperator Expo earlier this year.



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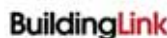


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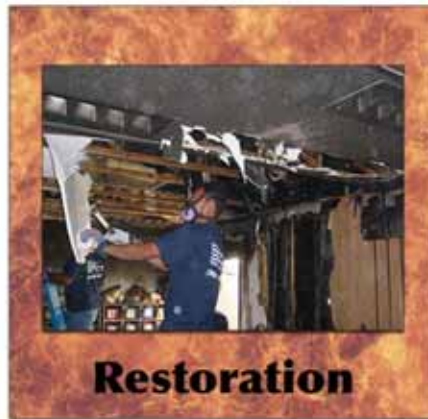
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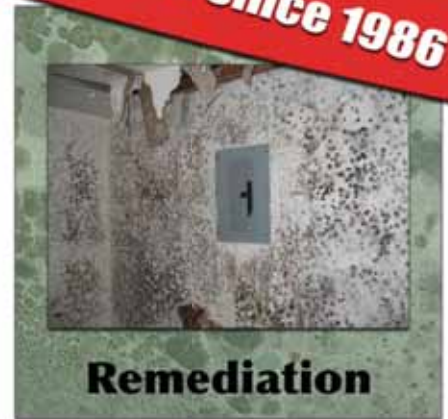




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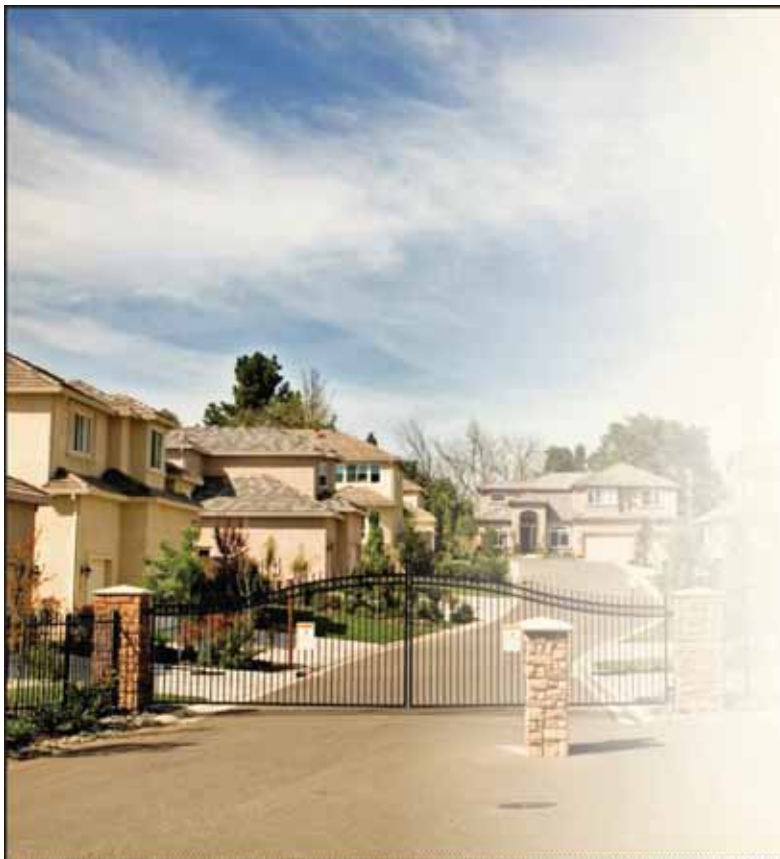


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## New Innovative Solutions in your Lake Management Toolbox

*-Shannon Junior, Aquatic Ecologist at SOLitude Lake Management*

**H**erbicides and algaecides have traditionally been used to maintain balanced ecosystems in lakes and ponds—but wouldn't it be exciting if there was a new technology or process that could totally revolutionize the way we approach environmental problems in our communities? Industry leaders have long understood that proactive, holistic management strategies are the key to achieve long-term balance in our aquatic environments; however, our toolbox of sustainable solutions has not always grown at the same pace as our knowledge. That's why we are so excited about recent advances in aquatic habitat restoration.

EPA-registered herbicides and algaecides are generally only used as a last resort solution—but sometimes they are necessary and valuable tools. Just as you might take an antibiotic to recover from an infection, pesticides help your waterbody recover from nuisance and sometimes harmful aquatic weed infestations. Now, new herbicide technologies are optimizing the safe eradication of undesirable plant species with very limited impact on native vegetation, wildlife or recreational activity. These highly-targeted herbicides combine the best features of traditional options to target the unique growth processes in undesirable aquatic weeds and achieve more selective and long-lasting vegetation control. Thanks to their favorable environmental profile, they require 100-1000x lower use rates than traditional herbicides and have been designated by the EPA as a "Reduced Risk" solution that is virtually non-toxic to humans, pets and wildlife.

Reduced Risk herbicides can be highly successful for the management of many species and may provide exceptional multi-season control when applied by specially certified professionals at the appropriate growth stage and dosing rate. Properties suffering from chronic milfoil species, hydrilla, crested floating heart, watershield, parrotfeather, creeping primrose, slender spike rush, yellow floating heart and similar species are excellent candidates for management with these highly-selective, low-impact herbicides.

For any new technology, it is important to evaluate its niche within our "toolbox" and to understand the best fit among the available water quality management strategies. There are many factors to consider when

developing a comprehensive aquatic resource management plan, such as the target weed or algae species, the presence of beneficial native vegetation, and the goals and budget of the stakeholders. While reduced risk herbicides offer a new and exciting option for our clients with severe nuisance or invasive aquatic weed issues, it's important to establish long-term control by addressing the true root of the problem: unbalanced water quality.

Water quality restoration is one of the most frequent and important challenges that we face as lake and pond managers, and should be a high priority for every waterbody. Poor water quality due to nutrient loading is a constant issue, as runoff containing fertilizers and other pollutants from agricultural farms, suburban lawns and gardens, and urban streets and parking lots drains into lakes, ponds, and stormwater management facilities. Even natural areas can contribute to water quality degradation through the deposition of sediment, leaf debris and other organic matter to our waterways. These pollutants are the ultimate source of nuisance lake and pond weeds, harmful cyanobacteria (blue-green algae) blooms and other complications that impair waterbodies for municipal and recreational uses, and may also make them less habitable for fish and other wildlife.

As a property manager or member of a homeowners' community, you may have already implemented numerous aquatic management tools such as aeration and nanobubble technology, biological augmentation, and innovative sediment management techniques such as bioengineered shorelines and hydro-raking. Another new technology for the sustainable removal of nutrients and other pollutants is generating excitement within our industry. Similar to activated charcoal, this new technology has highly adsorbent properties that allow it to remove impurities from water. These charcoal-like particles can be placed in large, porous bags in moving water, and the particles will attract and trap nutrients, metals and other pollutants. The bags are then removed from the water when they are full, resulting in the physical elimination of the trapped material from the waterbody.

*continued on page 30*





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A photograph of a person with dark skin and dreadlocks, wearing a light blue shirt, using a power drill on a textured, light-colored wall. The person is seen from the side, focused on their work. A circular object, possibly a light fixture or vent, is visible on the wall to the right.

## **“Excuses, Excuses”**

-Association Reserves, via HOA-USA.com

An excuse has been defined as “the skin of a reason stuffed with a lie”. In the process of preparing over 30,000 Reserve Studies for Associations across the country over a period of 28 years, there are two board member sentiments we hear most frequently expressed: “We can’t afford the Reserve Funding Plan” and “We’ll worry about that next year”. But no matter how many times a board member may repeat these sentences, it doesn’t mean they’re true and it doesn’t mean they’re wise.

### **“We Can’t Afford the Reserve Funding Plan.”**

Most of us are accustomed to living within our own financial constraints, where there are some things we can afford and some things (like that red Ferrari!) that we can’t. So we are regularly making choices about where we spend our limited cash. But there are two logical flaws to this concept of “affording” when it’s applied to reserve contributions. First, common area repair and replacement expenses don’t disappear if the Reserves are underfunded. The claim that you can’t afford the Reserve Funding Plan this year only creates more Reserve obligations in the future. In addition, delayed contributions generally result in delayed Reserve projects, creating deferred maintenance. Many of those deferred Reserve projects actually get more expensive when delayed. Delaying doesn’t usually save you any money.

The second flaw is that Boards don’t really have a choice in the matter. Board members are both empowered and obligated to operate the Association according to state law and their own Governing Documents. Throughout the United States, Boards are empowered to set a budget to collect “adequate” funds from the owners to maintain the physical assets of the Association. Making a decision to not budget for the needs of the Association exposes board members to personal liability. Owners or future owners might be inclined to file a lawsuit against the Board because the Special Assessment that was levied against them is actually a deficit catch-up strategy for all the years the Reserve contributions were artificially low.

The reality is that underfunding reserves is nationwide problem. More and more prospective

buyers are becoming aware of this issue. In the State of California, the Department of Real Estate took the unprecedented step in September 2012 of issuing a Consumer Warning of the special assessments and declining home values due to underfunding Reserves. Read it yourself by Googling “California DRE underfunded homeowners associations”.

### **“We’ll deal with that next year.”**

The problem with this next excuse is that Reserve obligations are not future events. Reserve obligations arise from very predictable, ongoing deterioration that occurs every day, every week, and every month. The cost of that ongoing deterioration can be easily calculated, which forms the basis for an association’s Reserve contributions. Those repair & replacement costs are as real as any other “bill” the association faces. Cultivating a culture of not paying your own bills is not only fiscally irresponsible, but inherently unfair.

Let me explain: Is it fair to be forced to pay for a new roof to replace one that someone else “used up”? The unwitting victims of Special Assessments or bank loans likely are paying far more than their fair share of that component’s cost. Those current owners are being forced to “pay the bills” of prior owners who underpaid their fair share of the Association’s ongoing cost of deterioration.

### **So what to do?**

“It is the greatest of all mistakes to do nothing because you can only do a little. Do what you can.”  
*Sydney Smith*

It may be a hard pill to swallow, but Boards need to stop making excuses or kicking the problem down the road. You can do the wise thing. You can address your current situation by following the Funding Plan—it’s one of the key results of a Reserve Study. Then begin to make steps of progress. Not only will you then fulfill your role and responsibility as a board member and protect yourself from liability, but being able to afford timely repairs and replacements will maximize property values and go a long way to help overall homeowner satisfaction.



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# Tile Installation

Continued from page 12

## Handrail Height



The Florida Building code requires balcony handrails to be installed with a minimum height above the floor. Typically, the original construction meets the minimum requirement at the concrete floor

leaving little room for new finishes or alterations. The buildup of tile reduces the height of the handrail, sometimes resulting in non-code compliant handrails. Handrail height must be considered in any balcony tile installation.

Most condominium associations provide little to no guidance regarding tile installation leading to many of the problems listed above. Unit owners typically don't know what questions to ask the contractor, making hiring decisions based on price and/or likeability of the contractor. This can be a recipe for disaster for buildings. There is no cost effective way to repair most of the issues caused overtime by improper tile installation. Once the deterioration has occurred, to alleviate life safety concerns costly corrective measures must be undertaken such as:

- The removal and replacement of corroded aluminum including handrails, windows and/or doors.
- Demolition and replacement of compromised concrete and reinforcement.
- Tile cut back of any improper tile installation in contact with aluminum.
- Tile removal/replacement to alleviate drainage concerns/efflorescence/railing height issues.
- Removal of efflorescence from the building.

Some condominium associations have taken the matter into their own hands and engaged design professionals such as an Architect or Engineer to develop standard guidelines for tile installation on their buildings preventing poor tile installation from occurring. These professionals consider the non-aesthetic components of good tile installation to protect the longevity of the building and are well worth the investment. These same design professionals can also evaluate existing tile installations offering recommendations to protect the longevity of your building.



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# What's on our Roadmap?



## Six great areas of innovation!

Our roadmap is fantastic—packed with new and enhanced solutions to help your building run even better. We've got a world-class development team and we're confident in our ability to create and deliver "magic!"

## Which features are most important to you?

Send us your comments, questions, and suggestions on how we can make BuildingLink even better. If there's something important that you think we've missed, tell us **now!** Our next roadmap will be here before you know it!

We have a lot ahead of us! Check out some of our upcoming features and enhancements:

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# Construction Progress

*Continued from page 10*

With the partial releases in hand, in the event the general contractor does not pay the subcontractors and suppliers, the owner is fully protected. It is important to understand that without the partial releases in hand, even if the owner paid the general contractor and received a partial payment affidavit from the general contractor, if the general contractor did not pay the subcontractors and suppliers, then they have a lawful right to demand payment from the owner and to record a lien against the owner's property. Hence, without the partial releases from the subcontractors and suppliers, the owner remains in danger of paying twice for some or all of the work.

Some general contractors insist on providing the owner with the partial releases from the subcontractors and suppliers one payment behind the payments from the owner to the general contractor. Right off the bat, that should be a significant concern to the owner because it means if the general contractor fails to pay the subcontractors and suppliers for any reason whatsoever, be it due to bankruptcy, closing up shop, or running off to the Canary Islands with the money, the owner will still have to pay the subcontractors and suppliers and thus pay twice. In fact, the legislature has even gone so far as to warn the public of this danger.

Section 713.06(3)(c)1, Florida Statutes (2019), provides in relevant part that, "...[t]he owner may require, and, in such event, the contractor shall furnish as a prerequisite to requiring payment to himself or herself, an affidavit as prescribed in subparagraph (d)1., on any payment made, or to be made, on a direct contract, but the furnishing of the affidavit [by the general contractor] shall not relieve the owner of his or her responsibility to pay or cause to be paid all lienors [a.k.a., the subcontractors and suppliers] giving notice." There are three methods to protect the owner from this problem:

1. The safest method is to ensure that the contract between the owner and general contractor contains a provision that the owner is to be provided the contemporaneous and immediate partial release of lien from the subcontractors and suppliers in immediate exchange for payment to the general contractor.
2. Hire a different general contractor.
3. Purchase a payment and performance bond which act as an insurance policy where, among other protections, the insurer will pay the subcontractors and suppliers in the event payment was made by the owner to the general contractor but the general contractor failed to pay the subcontractors and suppliers. If the general contractor is not bondable, that should serve as a warning in and of itself to look for a different contractor. The performance and



payment bonds will add three to five percent to the overall project cost and are, one way or the other, paid by the owner. If this route is selected, the owner must make absolutely certain the policy will provide the necessary coverage for this concern as not all insurers may provide this coverage.

Whether an owner decides to enter into contractual privity with a general contractor who insists on providing the subcontractors' and suppliers' partial releases only after the owner pays the general contractor and then the general contractor pays the subcontractors and suppliers is risky because there will always remain financial exposure of paying for all or part of the work, twice. If you, your company or community association are considering hiring a general contractor then you need to be aware of this issue. It is suggested that an owner never ever put themselves into a position where there is risk of paying more than once for the same work. Ask yourself this: if the general contractor cannot not afford to pre-pay their subcontractors and suppliers or the subcontractors and suppliers will not trust the general contractor with their partial releases to be provided to the owner upon payment, then should you be doing business with that general contractor in the first place?

Personal experience has demonstrated that some general contractors will tell property owners that delayed receipt of the partial releases is customary and quite ordinary. If you find yourself in that position be sure to tell the general contractor of the beachfront property for sale in Arizona, and go find yourself a different contractor.



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Continued from page 18

the contents of the bag can be discarded, or better yet, applied to lawns and gardens as a soil amendment for natural fertilization and as a substrate for beneficial microbes to enhance plant growth.

This new technology is most effective in flowing waterbodies so that there is constant circulation of water around the bags for nutrient adsorption. More stagnant basins would benefit from the installation of a fountain or aeration system to move the water and enhance the effectiveness of this method. The number and size of the bags required is also site-specific, and their longevity could be several weeks up to an entire season, depending on the severity of water quality impairment.

The increasing problems of anthropogenic and climatological water quality degradation have brought us to a critical time in the aquatic management industry, but new technologies like these are making the management of water resources easier and more sustainable than ever. When implementing any sort of aquatic weed or water quality solution for your waterbody, it's extremely valuable to consult with an aquatic biologist or ecologist who is on the leading edge for innovative solutions to age-old challenges. Your community members—and your long-term budget—will thank you!

*Shannon Junior is an Aquatic Ecologist at SOLitude Lake Management, an industry-leading environmental firm.*



*She specializes in all facets of lake management, with a specific expertise in ecological assessment and water quality restoration. Shannon has Master of Science degree in Environmental Science and Public Policy from George Mason University. This article is the third in a series featuring new break-through technologies that will revolutionize the management of lakes, stormwater ponds, wetlands and fisheries. Learn more at [www.solitudelakemanagement.com/knowledge](http://www.solitudelakemanagement.com/knowledge)*



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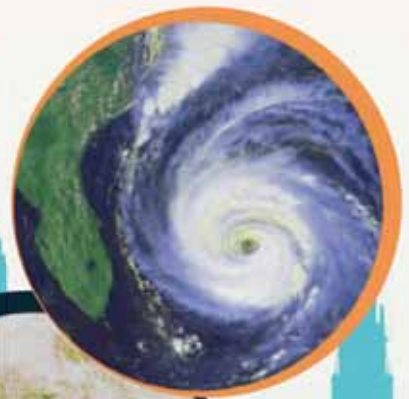
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