

CAI - LI Chapter News

Serving Long Island, New York

Published by the Long Island Chapter of CAI

Issue No. 48 – Spring 2020

NEW!!!
THIS IS AN
INTERACTIVE
NEWSLETTER
You may click on links/ads
to access information.

BACK TO BASICS: THE RULE OF THREE TO RESTORE BALANCE TO YOUR AQUATIC ECOSYSTEM

By ERIN STEWART, AQUATIC BIOLOGIST & REGIONAL MANAGER AND
KATHLYN BEHOUNEK, AQUATIC BIOLOGIST - SOLITUDE LAKE MANAGEMENT

When developing a management plan for a lake or pond, it is important to keep its purpose and priorities in mind. Is it strictly aesthetic? Is it used for fishing or recreation?



Erin Stewart

Maybe it facilitates irrigation, drinking water, fire suppression, or stormwater collection? An effective freshwater management program can be compared to the importance of each leg on a “three-legged stool.” Just like the legs supporting the stool, many water resources are interdependent, meaning that the actions taken in the watershed could cause imbalances that have negative consequences downstream.

Think of each “leg” of this metaphorical three-legged stool as representative of the (1) physical, (2) chemical, and (3) biological components of a freshwater resource. If one part of this trinity breaks down, the others



Katelyn Behounek

The first leg of the stool — the physical characteristics of a lake or pond — includes features such as size, depth, volume, bottom substrate, water source and exchange through the system. These are major components that can affect how a lake or pond responds to environmental conditions. For instance, shallow ponds with excessive build up of bottom muck and sediment, or those with limited water movement, will be more likely to experience algae and weed growth than a large, deep lake or one with lots of movement.

The chemical characteristics, the second leg

will follow. To ensure each of these aspects is protected, it’s important to understand the ways in which they contribute to the health of a waterbody and how to identify imbalances when they arise.

Continued on Page 7

INSIDE THIS ISSUE:

BACK TO BASICS: RULE OF THREE TO RESTORE BALANCE TO YOUR AQUATIC ECOSYSTEM	1
OUTSOURCING MAILINGS	3
NEWSLETTER: ARTICLES & ADS	4
PRESIDENT’S MESSAGE	5
UNDERSTANDING AND UTILIZING YOUR RESERVE STUDY TO ENSURE LONG-TERM SUCCESS	9
NATIONAL RECRUITER OF THE MONTH AWARD	14

Community Associations Institute — Long Island Chapter
P.O. Box 221, Commack, NY 11725 • 631-882-8683 • info@cai-li.org • www.cai-li.org
CAI National Office 1-888-224-4321 • www.caionline.org



**CAI - LI Chapter
2020 Board of Directors**

President

Eric B. Clemente
Alure Home Improvements, Inc.

President Elect

Melissa Schlactus, Esq.
Taylor, Eldridge & Endres, P.C.

Vice President

Nancy Fox
CAMCO Services of NY, Inc.

Treasurer

Steve Ciaravella, CPA
Fuller Lowenberg & Co. CPAs, P.C.

Secretary

Andrew Nigri
Sancus Insurance Agency, Ltd.

Past President

John Ryley
Dryer Vent Wizard

Board Members

Christopher Byrnes, Esq.
Schroder & Strom, LLP

Linda Donato
LIMS, Inc.

Bill Gatz
Blackstone Property Management

Harvey Kolin
Water Heaters.com, Inc.

Ira Smitheimer
Three Village Green HOA

—————
Chapter Executive Director
Christine M. Majid

2020 ANNUAL SPONSORS

CAI Long Island gratefully acknowledges the help and financial support of our 2020 corporate sponsors, without whom our activities would not be possible. All of our sponsors are important players in the community association industry.

GOLD SPONSORS

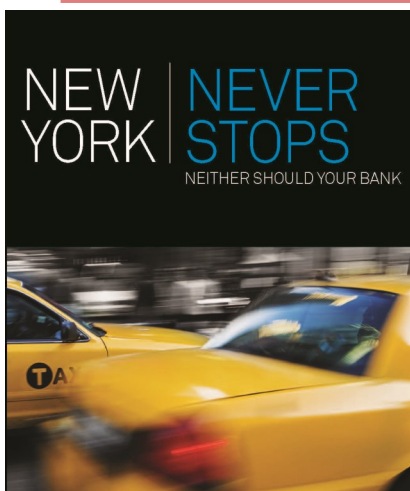
Alliance Association Bank
BankUnited
Belfor Property Restoration
Capital One Bank
Lawn Elements, Inc.
M&T Bank
Schroder & Strom, LLP

SILVER SPONSORS

Accredited Property Management
Fuller Lowenberg & Co. CPAs, P.C.

BRONZE SPONSORS

Alure Home Improvements, Inc.
CAMCO Services of NY, Inc.
Cohen, Warren, Meyer & Gitter, P.C.
James F. Sutton Agency, Ltd.
Maximum Security
Sewer Stewards, Inc.
Union Bank HOA Services



**Better relationships.
Better tools. Better banking.**

At BankUnited, our talented banking professionals are committed to helping you get to where you want to go. That's better banking with your interest in mind. Contact us today to get started.

Melville 445 Broadhollow Rd. Melville, NY 11747 (631) 454-4700	57th & Lexington Ave. 136 E. 57th St. New York, NY 10022 (212) 705-8600	50th & 5th Ave. 623 Fifth Ave., 11th Fl New York, NY 10022 (212) 409-1200
48th & Park Ave. 299 Park Ave. New York, NY 10171 (212) 409-1300	35th & 6th Ave. 960 Ave. of the Americas New York, NY 10001 (212) 356-7600	Brooklyn 1333 60th St. Brooklyn, NY 11219 (718) 522-8400

www.bankunited.com
BankUnited, N.A.
Member FDIC

BankUnited
We're with you.

OUTSOURCING MAILINGS

By MARTY EHRLICH - SOUTHDATA

Like most businesses today, property management companies and self-managed communities are tasked with finding solutions on how to deal with their day-to-day operations given the challenges presented by the Coronavirus/Covid-19 Pandemic.

One common thread all management companies share is that they send out a variety of communications such as mailings and billings (see below) to their homeowners and residents. Many companies handle this task in-house from their management offices (print, copy, fold, stuff, and mail) using copy machines, folding machines, postage machines, etc. This process is now complicated by the “new normal” of social distancing, limiting the number of employees in the office and keeping the workplace safe from the spread of the virus.

Certified Mail	Welcome Packages	Annual Notices
By-Law Updates	Newsletters	Budget Packets
Violation Letters	Late Fee Billing	Lease Renewals
Collection Letters	Color Statements	Post Cards
Seasonal Notices	Upcoming Elections	Coupon Books

The Coronavirus/Covid-19 Pandemic has changed the workplace dynamic:

- Employees are working remotely from home without access to office machines
- Employees are limited to the number of days they work in the office
- Employees who are working in the office are challenged with doing their jobs while trying to avoid multiple

touchpoints (copier, postage machine, office supplies etc.) that now require continuous cleaning to avoid exposure

To solve for these issues, consider outsourcing your print and mail communications with a reliable, secure and reputable vendor. But before you proceed, you should ask questions:

- How long have they been in business?
- Is this their primary business or do they use 3rd party companies to handle your mailings?
- Do they require minimum quantities to place an order?
- Are there any set-up fees, hidden fees and/or memberships fees?
- Can you place orders from the comfort and safety of your computer/laptop?
- Can you get a proof to review your order before it gets mailed out?
- Is there a verification process that lets you know what you ordered and that it’s been mailed out?
- Can this company provide you with an itemized bill for each of your properties?
- Do they have a dedicated Customer Service team to address any issues, concerns, etc.?

Consider the ability to outsource your communications -

- Remotely
- From Office Desktop Computers
- Improve Employee Productivity
- Control Costs
- Gain Back Valuable Time
- Operate in a Safe Environment! ■

For more information, please contact Marty Ehrlich at #631-574-0838 or at mjehlich@southdata.com.

Alure[®]
HOME IMPROVEMENTS
Bring Our Experience Home
Since 1946

FUSION
COMMERCIAL CONTRACTING, INC.

ERIC CLEMENTE
DIRECTOR OF SALES OPERATIONS
Cell: 631-704-7184 | Office: 516-396-9023 | Email: eclemente@alure.com
Showroom: 1999 Hempstead Turnpike, East Meadow, NY 11554
Corporate: 70 Mall Drive, Commack, NY 11725

MEMBER OF
community
ASSOCIATIONS INSTITUTE



COHEN, WARREN, MEYER & GITTER, P.C.
 CARYN L. MEYER
 ATTORNEY AT LAW

80 MAPLE AVENUE
 SUITE 201
 SMITHTOWN, NY 11787

TEL: 631-265-0010
 FAX: 631-265-0853
 EMAIL: CMEYER@CWMGLAW.COM

BOB LEWIS www.DumorConstruction.com
dumor@optimum.net



CONSTRUCTION INC.
 PARKING AREA SPECIALISTS
 ASPHALT PAVING & PATCHING, POWER SWEEPING
 SEAL COATING, CRACK FILLING, STRIPING, SNOW PLOWING,
 CONCRETE WORK, EXCAVATION, DRAINAGE

42 Grant Avenue Phone: (631) 586-7200
 Bay Shore, NY 11706 Fax: (631) 586-7208

M&T Bank.

Helping you meet the financing needs of your association.

At M&T Bank, we understand the challenges faced by condominium and home owner associations when major projects, unexpected repairs or improvements need to be addressed. Our experienced relationship managers will partner with you and your board members, review your project requirements and offer the best solutions to help meet your needs. Please call Patrick Matheis at 516-391-7628 to learn more.



M&T Bank
 Understanding what's important®



mtb.com ©2013 M&T Bank. Member FDIC.

CAI - LONG ISLAND NEWSLETTER

The CAI - Long Island Newsletter is published quarterly by the Long Island Chapter of Community Associations Institute (CAI-LI) and is distributed to its members and is available on the Chapter website (www.cai-li.org). This publication provides members of CAI with letters from the Chapter President, informative articles written by industry professionals and service providers, updates on current legislation, and business advertising. The Chapter strives to provide our members with timely information and tools needed to keep them informed on community association issues.

The Newsletter Committee is always looking for new articles to publish. Articles should be educational, non-promotional in nature, and have a suggested word count between 500 and 1,500 words. CAI-LI retains the right to edit articles to conform to content and space requirements.

If you are interested in submitting an article for possible inclusion, please contact Christine M. Majid, Chapter Executive Director, at info@cai-li.org.

Quarterly Deadlines

Winter Issue - January 31 Summer Issue - July 31
 Spring Issue - April 30 Autumn Issue - October 31

Interested in advertising with us? Let us know!

If you would like to reserve space in the next newsletter, just let us know the preference of your ad space:

- Business card size ad in color \$100
2.5" x 3.75" in b&w or color
- Quarter page ad in color \$200
3.75" x 5.0" in b&w or color
- Half page ad in color \$400
5.0" x 7.5" in b&w or color
- Full page ad in color \$800
7.5" x 10.0" in b&w or color

Annual pre-paid packages are available offering a 10% discount and include placements in 4 continuous issues.

Do you have an ad ready now? If so, send it along and we will keep it on file until needed. Any questions, please let us know.

PRESIDENT'S MESSAGE

By ERIC B. CLEMENTE - ALURE HOME IMPROVEMENTS AND CAI - LI CHAPTER PRESIDENT FOR 2020



I would like to wish you and your family wellness and safety during such unprecedented times. Fortunately for all of us, we are surrounded by an amazing army of local heroes. Our essential workers on the frontlines have been doing a fantastic job keeping us all safe while taking the ultimate risk in working directly with people affected by the terrible Coronavirus. While we continue to

be surrounded with constant fear, sadness and doubt, we can never forget all the good in our world!

Landlord Hands Over His Family's Stimulus Check to His 13 Tenants So They Could Save on Rent -
<https://www.goodnewsnetwork.org/landlord-pays-stimulus-check-to-his-13-tenants/>

Anonymous Donor Gives \$1 Million Gift to Hospital So It Can Be Divided Between Every Single Employee -
<https://www.goodnewsnetwork.org/anonymous-donor-gives-1-million-gift-to-hospital-employees-fighting-covid/>

Customer Leaves Entire \$1,200 Stimulus Check as Generous Tip for Family-Owned Restaurant -
<https://www.goodnewsnetwork.org/customer-leaves-stimulus-check-as-tip-for-arkansas-restaurant/>

Principal's Unique Homage Spurs Travelers to Help Pay Tribute to High School Seniors Without a Graduation -
<https://www.goodnewsnetwork.org/florida-principals-homage-for-high-schoolers-without-graduation/>

Hospitals Are Empowering Recovered COVID Patients By Playing Iconic 'Rocky' Theme as Discharged -
<https://www.goodnewsnetwork.org/hospitals-playing-rocky-theme-as-covid-patients-are-discharged/>

Due to the current pandemic, we have all been forced to change the way we handle our day to day operations. Fortunately, we have been able to quickly adapt to the technology tools available to continue to bring you, our members, continued education on important topics. We've hosted webinars on *Virtual Board Meetings and Annual Elections*, *Dealing with the Unfolding Circumstances and Challenges for Board Members During the COVID-19 Pandemic*, and *The Mechanics of a Zoom Annual Meeting and Pitfalls to Avoid*. I'd like to thank our panelists Frank Socci, Jr., Evan M. Gitter, Esq., Nancy Fox, Edward Taylor, Esq., Emanuela Lupu-Ferrante, Esq., and Eric P. Blaha Esq. for their effort and time in providing us great and up-to-date information.

We are proud to have officially launched our NEW website! It is complete with the newest technology and information. It will continue to serve as a central location for our members to find the most up-to-date news and event registration. If you have not yet visited our website, please go and take a look www.cai-li.org. We will also be continuing to post our newsletters on the website and will be ONLY distributing them by email until further notice.

We've also chosen a charity to support this year. Camp Good Mourning is a fantastic charity that provides FREE overnight, weekend bereavement camp programs for children ages 7-17 who are coping with the loss of a parent or guardian, and/or sibling. This charity makes tremendous strides in supporting families and I would love to be part of its continued success. For children who have lost a parent or sibling, the grieving process is extremely difficult and can very much be like a roller coaster ride of emotions. There tends to be lots of ups and downs, and it happens in short spurts. Through our support, we can help these children in receiving the proper support so they can grieve peacefully and properly. Please visit <https://www.campgoodmourning.org/> if you would like to make a donation of any amount.

Continued on Page 6

John Ryley
President

1-866-498-SAFE
(7233)

JRyley@dryerventwizard.com

Dry Clothes - Safe Homes www.dryerventwizard.com

Dryer Vent Cleaning · Repair · Alteration · Installation

CAMCO
SERVICES OF NY, INC.

Nancy Fox 631-476-2100 ext. 214
Director Operations FAX: 631-743-9780
Licensed Real Estate Salesperson CELL: 631-484-3066
Email: nancyf@camcoservicesny.com

Property Management • Leasing • Investment Sales
PO Box 990 • Port Jefferson Station, NY 11776

Continued from Page 5

I'd like to welcome our newest members and business partners:

- Bartlett Tree Experts of Farmingdale**
- BNB Bank**
- FGM Property Management, Inc.**
- Highlands at Aquebogue HOA**
- Maximum Security**
- Rocky Point Owners Corp.**
- Saddle Lakes HOA**
- The Seasons at Seaford Condominiums**

Please continue to actively check your email and our website for the most up to date information on our virtual events, future events, and COVID-19 info. Please also feel free to contact us with any questions or suggestions you may have. We have a FANTASTIC group of strong, smart, and educated business partners who are eager and willing to do whatever they can for our members!

Sending positive thoughts! Stay safe! ■

Please feel free to contact me directly with ANY questions, concerns, suggestions you may have at 516-396-9023 or eclemente@alure.com.



Property Management

For decades, the name **Racanelli** has been synonymous with high-quality real estate services.

Today, **Racanelli Realty Services, Inc.** continues the tradition of providing the highest standard in residential property management by tailoring their services to accommodate each community's specific requirements.

We treat your community as if it were our own.

45 Mall Drive, Suite 5 • Commack, NY 11725

631-434-9400

lois@racanelli.com • www.racanelli.com

A HELPING HAND WHEN NEEDED MOST

- FIRE/SMOKE DAMAGE
- STORM DAMAGE RESTORATION
- WATER DAMAGE RESTORATION
- FROZEN PIPE BURST
- MOLD REMEDIATION
- DEODORIZATION
- SEWAGE BACKUP
- CONTENTS RESTORATION/STORAGE
- EMERGENCY SERVICES
- RECONSTRUCTION



WHEN DISASTER STRIKES, EXPERIENCE MATTERS MOST. Whether your problem is minor water damage or a major fire, every property crisis calls for effective solutions—immediately. Knowing that the first 72 hours are critical to a successful recovery, our team of experts will work in a timely manner to expedite the process—helping to save your assets and your money.

BELFOR—THERE WHEN YOU NEED US.



Suzanne Borelli 631-478-7824



Continued from Page 1

of the stool, refer to natural water quality components that can be measured, such as temperature, dissolved oxygen, pH, nutrients, water clarity, dissolved metals, salts and many other parameters. Poor water quality in lakes and ponds often occurs when these parameters become imbalanced in one direction or another. This is often caused by polluted runoff entering the waterbody that contains fertilizer, pet or wildlife waste, landscaping debris (grass clipping and leaves) and other organic materials. This process of nutrient “pollution” is one of the most common causes of chemical imbalance in a freshwater ecosystem.

The third biological component of the stool comprises all living things, including algae, plants, bugs, fish and microorganisms. Nutrient pollution is an example of how one component can directly affect another; nutrients encourage algae and aquatic plant growth. While moderate levels of growth are natural and provide habitat and food for fish and wildlife, algae and aquatic weed growth can proliferate under imbalanced conditions. Without proper management, nuisance algae and vegetation can

block sunlight, limit access for fishing and boating, and compromise aesthetics. As these increased populations of plants and algae decay as part of their natural lifecycle, they will release more nutrients into the waterbody to fuel additional growth, creating a vicious cycle. In the process, the risk of fish kills, offensive odors, accumulation of bottom muck and nuisance insect populations can all increase — further offsetting the balance of the waterbody’s physical, chemical and biological characteristics.

Having knowledge about the benefits of proactive management, and sustainable tools and technologies at our fingertips, adds a fourth, stabilizing “leg” to the “three-legged stool.” With a proactive management in place — even if one of the other components is slightly out of balance — the stool may wobble but will not fall over. In other words, problems that might normally be detrimental for a lake or pond can be identified and resolved early on, before they can impact other aspects of the ecosystem.

Continued on Page 8



Control Lake and Pond Erosion and Reclaim Your Community’s Shorelines

Shoreline erosion can be an eyesore as well as a danger to community residents, guests and pets. We are proud to offer innovative solutions that halt sediment migration and restore damaged banks. We utilize patented knitted mesh barriers to create stable, lasting shorelines. Once in place, grass and native vegetation can be installed, creating a living shoreline that improves the value and beauty of your community.



Watch a FREE recording of our Erosion Control Webinar: solitudelakemanagement.com/erosion

Water: It’s 71% of your world... 100% of ours.

855-282-3496 • solitudelakemanagement.com

For a full list of our superior service offerings, visit www.solitudelakemanagement.com/services



Continued from Page 7

A proactive approach is most effective when it accounts for all elements of an ecosystem. Vegetative buffer management, shoreline stabilization, aeration, regular stormwater inspections, and even sediment removal are all proactive ways to support the physical leg of the stool. These tools limit the influx of runoff and pollutants, prevent erosion and sedimentation, increase water movement and maintain the depth and structural components of a lake or pond.

Some of the more advanced management strategies utilize nutrient-locking products or beneficial bacteria to cycle and remove excess nutrients from the water column, reducing the potential for chemical imbalances. New technologies like nanobubble treatments can be used alongside these solutions to increase beneficial dissolved oxygen concentrations and enhance overall water quality. Aeration of all types can also help foster the health of fish, wildlife and beneficial insects through the biological food chain. These proactive tools can help give more “stability” to a freshwater management plan so serious, costly problems are far less likely to arise.



Whether mosquitoes and bad odors are keeping you away from the water or nuisance algae is causing an eyesore around your property, there are always ways to counteract the issues you are experiencing. It is important to bring in a professional to educate you about the best proactive approaches for your waterbody and help design a custom management plan before problems get out of hand. Just like a master carpenter would use his knowledge and expertise to build you the best seat, a certified and trained lake management professional will take each “leg” of the aquatic resource into account to achieve your unique goals and objectives. ■

Erin Stewart and Katelyn Behounek are Aquatic Biologists with SOLitude Lake Management, a nationwide environmental firm that provides sustainable lake, stormwater pond, wetland and fisheries management solutions. Learn more about this topic at www.solitudelakemanagement.com/knowledge.

Condominiums, Cooperatives & HOA's

Call

Jim Sutton

Sutton Agency, Ltd.

www.SuttonIns.com

Insurance Services Since 1963

143 East Main Street East Islip, Long Island, NY 11730

631.581.7978

See Us for All Your Insurance Needs

Representing more than 20 Companies

When you look at a field of dandelions,
you can choose to see a million weeds
or a million *opportunities...*

Choose opportunity.

Serving Condominiums,
Homeowner Associations & Co-ops
for over 25 years



Fuller Lowenberg & Co., CPAs, P.C.

Accounting | Tax | Advisory

200 Motor Parkway, D-24, Hauppauge, NY 11788 • 631-499-7900 • www.flcpas.com

UNDERSTANDING AND UTILIZING YOUR RESERVE STUDY TO ENSURE LONG-TERM SUCCESS

By MICHELLE BALDRY, REGIONAL EXECUTIVE DIRECTOR - RESERVE ADVISORS, INC.



It is estimated that more than 2.8 million residents in New York reside in community associations. According to Community Associations Institute's latest statistical review, these residents are represented by roughly 13,850 community associations.¹ As the community association living space continues to evolve so does the way they are managed. Professional services

are continually enhanced, offering association stakeholders the most effective tools to proactively manage their property for years to come.

What is a Reserve Study?

A reserve study determines how much to collect in annual reserve contributions so a Board of Directors can afford capital projects when they are needed. The reserve study is made up of two parts, as defined by Community Associations Institute (CAI) and the Association of Professional Reserve Analysts

(APRA): the **Physical Analysis** and the **Financial Analysis** of common elements.

The Physical Analysis comprises three elements:

1. Component Inventory (identification of the common elements and their quantities);
2. Condition Assessment (evaluation of the current condition of each component based on the observation of the engineer or reported characteristics);
3. Life and Valuation Estimates (the engineer's team determines a finite useful life, the remaining useful life, or better stated, how much longer it will last before needing replacement, and the anticipated future cost of repair or replacement for each component).

Continued on Page 10



SEWER STEWARDS, INC.

ONSITE WASTEWATER TREATMENT PLANT SPECIALISTS

145 Orinoco Drive #406 Brightwaters, NY 11718

Phone (631) 961-0420

Fax (631) 961-9649

www.sewerstewards.com



Stewardship: 'stee-ward-ship' 'sti-ard-ship': (1.) the activity or job of protecting and being responsible for something, (2.) the careful and responsible management of something entrusted to one's care, (3.) *our mission.*

Whether your needs are business or personal Capital One Bank is here to serve them all with products and services that meet your financial needs.

Robert Plank, Senior Vice President, Business Banking Specialist, provides customized services and products with a full range of Treasury Management, Merchant Services and financing options for homeowners and condominium associations.

For more information contact: Robert Plank | 631-531-2863



GO to a Capital One Bank branch in NY, NJ, or CT CALL 1-888-855-BANK CLICK www.capitalonebank.com

Branch bank products and services are offered by Capital One, N.A., Member FDIC. "Capital One Bank" is a trade name of Capital One, N.A., and does not refer to a separately insured institution. ©2009 Capital One. Capital One is a federally registered service mark. All rights reserved.



Continued from Page 9

RESERVE EXPENDITURES

Line Item	Quantities		Reserve Component Inventory	Estimated 1st Year of Event	1st Year of Replacement		Life and Valuation Estimates			
	Total Quantity	Per Phase Quantity			Useful	Remaining	Costs, \$			30-Year Total (Inflated)
		Units					Unit (2019)	Per Phase (2019)	Total (2019)	
Scenic Ridge Association Madison, USA										
Exterior Building Elements										
1.040	4,500	1,500 Square Feet	Balconies, Composite	2025	20 to 25	6 to 8	35.00	52,500	157,500	509,630
1.260	75	75 Each	Light Fixtures	2031	to 20	12	100.00	7,500	7,500	10,087
1.280	975	488 Squares	Roofs, Asphalt Shingles, Phased	2023	15 to 20	4 to 5	425.00	207,188	414,375	1,221,969
1.400	130	65 Squares	Roofs, Flat, Phased	2023	15 to 20	4 to 5	1,000.00	65,000	130,000	383,363
1.540	9,000	4,500 Linear Feet	Sealants, Windows and Doors, Phased	2023	to 20	4 to 14	2.50	11,250	22,500	48,662
1.820	37,500	37,500 Square Feet	Walls, Masonry, Inspections and Repairs	2025	8 to 12	6	0.80	30,000	30,000	136,335
1.860	75,000	25,000 Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2020	8 to 10	1 to 3	1.50	37,500	112,500	463,265
1.910	75	25 Units	Walls, Trim, Soffits and Fascia, Paint Finishes	2020	4 to 6	1 to 3	500.00	12,500	37,500	329,137

The Financial Analysis has two components:

1. Fund Status. That's the current amount of money in reserves when the engineer conducts the reserve study. It will be as of a specific date, oftentimes the beginning of the fiscal year for the association. This is the starting point for the engineer as he or she develops the funding plan.

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS Scenic Ridge Association Madison, USA				
	FY2019	2020	2021	2022
Reserves at Beginning of Year (Note 1)	467,289	565,448	616,749	670,892
Total Recommended Reserve Contributions (Note 2)	92,000	95,500	99,000	102,500
Plus Estimated Interest Earned, During Year (Note 3)	6,159	7,051	7,680	8,323
Less Anticipated Expenditures, By Year	0	(51,250)	(52,531)	(57,075)
Anticipated Reserves at Year End	\$565,448	\$616,749	\$670,898	\$724,846

2. Funding Plan. This is the plan that assesses the unit or homeowners monies that go into the association's reserve account to offset the anticipated future expenditures, allowing the community to pay for those capital projects as they become necessary. The funding plan goes out a minimum of 20 years into the future, and more commonly, are developed as 30-year forecasts.

What Do You Receive with Your Reserve Study?

A standard reserve study comprises two deliverables: the report (including executive summary, expenditures table, funding plan and component specific narratives) and excel spreadsheets, each of which serve different purposes.

The Executive Summary contains high level details, or better put, a 10,000 foot view of the association's current reserve fund status and long-term funding needs. It commonly includes a table of annual contributions along with anticipated expenditures and

year-end reserve balances. Furthermore, it highlights near-term major projects. Distribution of this document typically includes homeowners, realtors and prospective buyers as it communicates the association's path to maintaining the owners' largest investment... their homes.

Recommended Reserve Funding Table

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2020	95,500	616,749	2030	126,900	151,156	2040	162,600	1,018,771
2021	99,000	670,898	2031	130,100	206,055	2041	166,700	1,112,101
2022	102,500	724,646	2032	133,400	273,390	2042	170,900	1,208,611
2023	106,000	515,245	2033	136,700	341,698	2043	175,200	853,607
2024	109,500	275,912	2034	140,100	381,143	2044	179,600	461,718
2025	112,200	166,436	2035	143,600	466,709	2045	184,100	383,057
2026	115,000	64,302	2036	147,200	601,259	2046	188,700	320,156
2027	117,900	104,010	2037	150,900	735,959	2047	193,400	388,008
2028	120,800	67,853	2038	154,700	763,718	2048	198,200	295,603
2029	123,800	88,431	2039	158,600	928,536	2049	203,200	236,920

Critical Year - 2026 Reserve Balance \$64,302

The Expenditure Table provides a detailed component inventory with a prioritized replacement schedule including itemized costs. Having the entire component inventory and future events all in

Continued on Page 11

Banking solutions to help your communities thrive

Ralph Ascoli
Regional Account Executive
603-210-5215
ralph.ascoli@unionbank.com



Financing subject to credit and collateral approval. Other restrictions may apply. Terms and conditions subject to change.
©2018 MUFG Union Bank, N.A. All rights reserved. Equal Housing Lender. Member FDIC. Union Bank is a registered trademark and brand name of MUFG Union Bank, N.A.

Continued from Page 10

one place provides stakeholders with a complete picture of both near-and-long-term capital expenditures.

The Funding Plan serves as the financial roadmap to offset the capital expenditures outlined in the expenditures table. The Reserve Specialist recommends annual reserve contributions that provide a path to adequately funded reserves.

The Narratives comprise component-specific details geared towards educating stakeholders on the condition of, and best practices for, maintaining and replacing each element, and empowering the Board of Directors to make the most informed decisions in the future (repair vs replace, implementation of maintenance practices, use of alternate materials, photographic documentation of conditions that justify professional recommendations, etc.).



Excel™ Spreadsheets is a dynamic tool that offers the ability to manage replacement schedules and related costs, as well as annual reserve contributions as they occur. Have projects been accelerated or deferred over time? Was a project completed under or over budget as a result of a variance in unit price? Excel allows stakeholders to keep replacement schedules current over time.

The reserve study report and excel spreadsheets provide the tools necessary to understand an association’s current physical and financial condition. Furthermore, it provides a roadmap to properly maintain the property through properly funded reserves, while allowing stakeholders to enhance future projected expenditures and subsequent funding needs.

Understanding a Reserve Study’s Financial Story

To comprehend current fund status and to effectively communicate the recommended funding plan, one must understand the purpose of reserve funds. As previously stated, the purpose of establishing and maintaining adequate reserve funds is to ensure an association can afford capital projects when they are needed. Furthermore, the reserve study aims to minimize the risk of additional financial assessments as the community ages. This understanding is also critical to developing a comprehensive annual budget and maintaining the physical condition of common property.

It is critical to review the reserve study’s funding plan as the recommendations for the next several years speaks to an

association’s financial status.

- A properly funded association can generally expect consistent annual reserve contributions with inflationary adjustments over time.
- Overfunded associations likely experience annual reserve contributions that are relatively flat or in extreme cases, decreased for several years.
- Underfunded associations generally experience stepped increases (i.e. \$15,000 annual increases for x years, which are designed to get funding back on track) followed by inflationary adjustments thereafter. In extreme cases, associations may see contributions double (or more) than that of their current budgeted amounts.

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS				
Scenic Ridge Association Madison, USA				
	FY2019	2020	2021	2022
Reserves at Beginning of Year (Note 1)	467,289	\$65,448	616,749	670,898
Total Recommended Reserve Contributions (Note 2)	92,000	95,500	99,000	102,500
Plus Estimated Interest Earned, During Year (Note 3)	6,159	7,051	7,680	8,323
Less Anticipated Expenditures, By Year	0	(51,250)	(52,531)	(57,075)
Anticipated Reserves at Year End	\$565,448	\$616,749	\$670,898	\$724,646

Annual Contribution

A common scenario amongst associations is assuming their funding status is “healthy” due to its high balance. For example,

Continued on Page 13



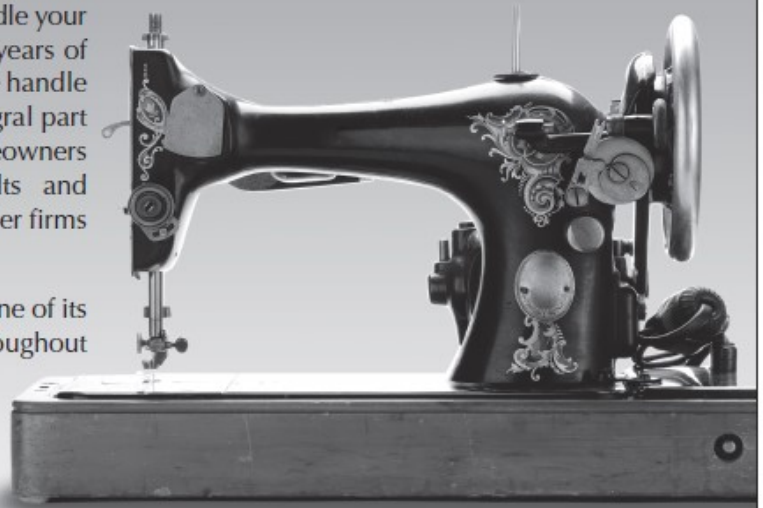
ACCREDITED PROPERTY MANAGEMENT
REAL PROPERTY MANAGERS

Attorney Advertising

We Help Sew Up All The Details In Your Annual Tax Appeal.

Filing annual tax appeals can be a real chore for multi-family communities. Selecting the right law firm to handle your appeal is an essential Board responsibility. With our years of experience representing multi-family communities, we handle all the hard work on your behalf. We become an integral part of your Board and Owners meetings and talk to homeowners daily. Frequent communication, exceptional results and personal attention set Schroder & Strom apart from other firms handling tax appeals.

We strive to make the Board's decision to hire us just one of its success stories. Which is why managing agents throughout the Metropolitan area like working with us and recommend our firm. Creative negotiation strategies and success as trial attorneys have made us trusted advocates and Boards that retain us look their very best.



SCHRODER & STROM, LLP
REAL ESTATE TAX COUNSEL

Accountability. Communication. Results.

114 Old Country Road • Suite 218 • Mineola, NY 11501
P: (516) 742-7430 • F: (516) 742-7433 • www.nytaxreview.com

Prior results do not guarantee a similar outcome.



Your Total Outdoor Solution!



A landscape professional understands the difference between just mowing a lawn and manicuring a property.

We have pioneered a new approach to landscape maintenance and snow removal... one that includes direct supervision and communication processes, a series of checks and balances, and a proactive approach to every property we maintain.

Lawn Elements specializes in Condominiums, HOA's and 55 and over communities... We offer complete landscape maintenance and snow removal packages tailored to your specific needs.

Our services include:

- Landscape Maintenance
- Law Care Programs
- Tree & Shrub Care
- Snow Removal
- Landscape Design/Build Services
- Seasonal Flower Displays
- Masonry
- Irrigation

What Our Clients Are Saying...

“Lawn Elements makes responsible promises and always follows through. They truly care about what they do and take great pride in their work.”

-Willow Pond HOA Riverhead, NY

Read more: LawnElements.com/testimonials

Our proven landscaping support methods save you time, money, and aggravation...Guaranteed!

LawnElements.com

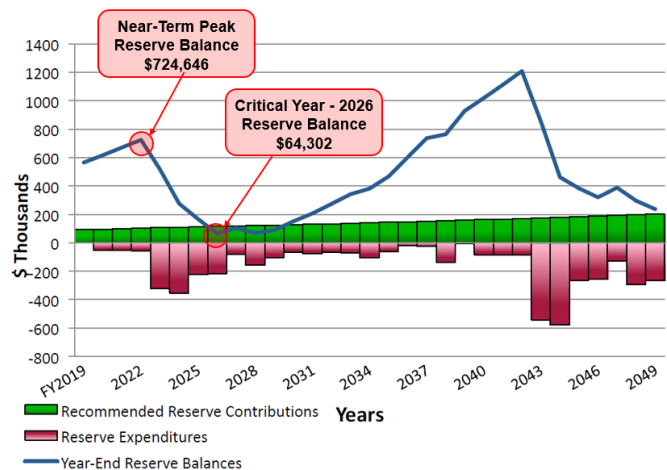
Call Us Today 631-656-9711

Make the change and experience the Lawn Elements Difference!

Continued from Page 11

“We have \$600,000 in the bank and minimal expenditures. As such we do not need to increase annual reserve contributions for several years”. Without a current reserve study the reserve balance is not necessarily a clear indication of overall financial health. Are critical projects being deferred? Does the association have a clear understanding of both near-and-long-term replacement needs? In the chart below, year-end reserve balances are projected to peak at \$724,646 followed by more than \$1,350,000 of major projects over the next six years. Ignoring inflationary increases would result in a \$120,000 reserve shortage by 2028.

The above scenario can only be properly assessed with the assistance of a current reserve study. Without one, the association does not know what truly awaits around the corner in terms of replacement projects and associated costs. Furthermore, the lack of a current reserve study marginalizes one’s ability to sufficiently address potential shortfalls to ensure the association has a clearly defined path to achieve long-term success.



Associations that lack long-term planning and those that do not execute on an appropriate funding strategy (one that is in line with the reserve study) will almost certainly end up short on reserve funds at some point in time. Without sufficient reserves, associations are faced with two decisions: 1) Defer replacement, some of which may be critical, or 2) Increase cash-flow to cover the cost of a particular project.

1. **Deferred replacement** is a common choice amongst those facing a shortage of reserve funds. If the funding gap is small, the deferred project is non-critical (aesthetic items such as pool furniture, common area carpeting, etc.) and the association has a short-term plan to improve funding levels, then the deferral is likely not a critical issue. However, time and time again, many associations in this position often face significant reserve shortages during years of relatively significant expenses, oftentimes leading to postponement of

critical projects, and resulting in accelerated deterioration and potential safety concerns.

2. **Special assessments** are very burdensome to homeowners. This option puts financial strain on residents, especially those with fixed incomes. Depending on the volume of assessments needed, it is likely that the additional assessments will span across several years.

3. **Bank loans** do not require immediate contributions from homeowners. However, they have the added expense of interest. Homeowners certainly have more time to assess and adjust their personal finances unlike that of special assessments, but that convenience comes at a cost.

The above options simply address near-term funding shortages. However, these ‘band-aid’ type fixes only address the symptoms of insufficient reserves, not the real problem... a lack of establishing adequate reserves moving forward. A reserve study is an essential tool to guide the Board of Directors on a clearly defined path to establishing adequate reserve funds well into the future.

Utilizing your Reserve Study to Achieve

Long-term Success

Long-term success of a community association is measured by its ability to operate much like a successful business. The association must be fiscally responsible, able to invest in itself (maintain common elements) and improve the value of the organization as a whole. Although the reserve study is a professional recommendation, it is a snapshot in time. Over time, priorities and project needs change, but one thing remains constant: the need to have adequately funded reserves.

The most successful associations utilize their reserve studies as a starting point and continually assess changing needs to attain continued and long-term success. But what does this process look like? In short it means keeping the schedule of expenditures and funding plan current and addressing any potential financial



Continued on Page 15

NATIONAL MEMBERSHIP RECRUITER OF THE MONTH AWARD

In the month of February 2020, **Nancy Fox, Director of Operations at CAMCO Services of NY, Inc.** and current CAI Long Island Board Member, recruited eight new CAI members. This was the highest number recruited by a member for the month making her our **national February Recruiter of the Month** and she received a \$200 gift card — congratulations Nancy!



**Virtual
is the New
Reality™**

Your whole world has changed, so should your security.

Maximum Security's Virtual Gatehouse is a safe and effective way to protect your property. This technology uses six 360 degree cameras, a license plate reader, video & audio recording, network radar, overhead loud speaker, and a kiosk with a call button & facial recognition. Each visitor transaction is expertly handled by Maximum Security supervisory staff from our state of the art command center.

With our cutting edge technology and top of the line security officers watching over your property we're providing you with the highest level of security 24/7. All at a fraction of the cost of traditional guard services.

With Maximum Security you'll have maximum peace of mind.

CONTACT US

888-575-7629 631-673-3643
info@maxsecurityli.com



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



WA Top 10 - Forbes Best Banks
allianceassociationbank.com

Specializing in:

- No-Fee Lockbox Services¹
- ConnectLive™ Software Integration
- Full Online Banking Services
- Online Homeowner Payment Portal
- Lending Solutions²
- Excess FDIC with CDARS & ICS³

Meet Your Community Association Banking Experts:



Jamie Kay Redden, CMCA
Vice President
(724) 910-6304
jredden@allianceassociationbank.com



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

¹ Fee-free lockbox requires a checking account with Alliance Association Bank. ² All offers of credit are subject to credit approval. ³ Limits apply. Funds may be submitted for placement only after a depositor enters into a CDARS or ICS Deposit Placement Agreement with us. The agreement contains important information and conditions regarding the placement of funds by us. CDARS and ICS are registered service marks of Promontory Interfinancial Network, LLC. Alliance Association Bank, a division of Western Alliance Bank, Member FDIC. Western Alliance ranks top ten on Forbes' Best Banks in America list, five years in a row, 2016-2020.



Continued from Page 13

shortcomings in their infancy. What might seem challenging is actually quite simple with the right tools.

Engagement is key. Prior to budget season, the reserve study should be updated. Minor adjustments can easily be handled internally via excel spreadsheets (whereas complex changes might indicate the need for an updated reserve study). Begin with updating the current year's expenditures and reserve contributions. Next, review each deferred project and determine if it needs to be completed in the upcoming year. Update the timing of any deferred expenditures accordingly. Once this is complete, the updated expenditure tables and funding plan can guide next year's budget process. Furthermore, updated numbers enable one to evaluate changing needs over time and address potential year-end reserve shortages years in advance.

Keeping the schedule of expenditures and funding plan current provides management and the Board of Directors with the most complete picture of the association's near-term project needs and long-term financial status. Surely most associations will, at some point in the future, find themselves deferring projects and/or not meeting their reserve study's recommended level of reserve contributions. Ultimately, their success is measured by the ability to weather such differences while adjusting the long-term funding strategy to ensure reserves are adequately funded and common property is maintained in excellent condition for decades to come. ■

Michelle Baldry, Regional Executive Director of Reserve Advisors, Inc., has nine years of experience in serving community associations with comprehensive reserves studies. She is responsible for the implementation of corporate objectives related to business development, client services, development of staff and maintaining operations throughout the Northeast region.

Michelle holds her RS and PRA designations and is a professional engineer. Responsible for developing client relationships and identifying new business opportunities, she is a frequent speaker at various CAI (Community

Associations Institute) events and other industry related seminars. In addition, she works with other members of senior leadership to continually improve client experience.

Michelle may be reached at her office at (844)701-9884 or via email at mbaldry@reserveadvisors.com.

¹Community Associations Institute - National and State statistical review for 2017 Community Association Data.



HOA Premium Reserve Solution

Put your funds to work with the leading community association bank.

Secure deposits, competitive rates and a streamlined banking experience.

CIT offers a range of solutions to manage and grow HOA funds safely and effectively:

- Choose from the Premium Sweep Account, Premium CD, Premium Ladders CD and Premium Money Market
- Enjoy the ease of dealing with one bank to serve all your HOA banking needs
- Get a competitive rate of return to grow your reserve funds
- Access your funds when needed with the flexibility of investment options

And with our HOA Premium Reserve Solution, you get the security of knowing your funds are protected and secured by a surety bond.

Let's see what we can do together.



Matthew Driscoll, VP, Regional Account Executive
443.866.9076 | 866.800.4656 x761 | matthew.driscoll@cit.com
cit.com/CAB

Deposit and loan products are offered through CIT Bank, N.A., the FDIC-insured national bank subsidiary of CIT Group Inc. ©2020 CIT Group Inc. All rights reserved. CIT and the CIT logo are registered trademarks of CIT Group Inc. MM#7464

Member
FDIC