

APRA Advisor

WWW.APRA-USA.COM

PUBLISHED BY THE ASSOCIATION OF PROFESSIONAL RESERVE ANALYSTS

SEP-OCT 2015

Association of Professional Reserve Analysts (APRA) is a nonprofit corporation established in 1995 by principals of America's leading reserve study companies. The purpose of APRA is to provide a forum to establish a common base of knowledge, standards of care and professionalism within the reserve study industry.

The **APRA Advisor** is a bimonthly publication designed to expand the understanding of reserve planning and increase awareness of **Professional Reserve Analysts**.

Board of Directors

PRESIDENT

Richard Thompson PRA (2017)
rich@regensis.net
Regensis, Inc.

VICE PRESIDENT

Mike McDermott PRA (2016)
mike@browningrg.com
Browning Reserve Group

TREASURER

Rob Forney PRA (2017)
raforney@complexsolutionsltd.com
Complex Solutions LTD

DIRECTOR

Roy Helsing PRA (2016)
roy@helsing.com
The Helsing Group, Inc.

DIRECTOR

Megan Konecny PRA (2017)
megan@reserveadvisors.com
Reserve Advisors, Inc.

PAST PRESIDENT

Theodore J. Salgado PRA
ted@reserveadvisors.com
Reserve Advisors, Inc.

Executive Director

Debra Pass APRA@TEAMwi.com
Phone: 877.858.5047
Fax: 262.532.2430

W175 N11117 Stonewood Dr. Ste 204
Germantown, WI 53022

www.apra-usa.com

Social Media & HOAs

It is definitely the era of social media. Facebook, Twitter, LinkedIn and countless other choices keep many glued to their smart phones, tablets and computers 24/7. Like it or hate it, it is part of life for many and certainly allows for efficient communication. If not handled carefully, however, social media can have more downsides than positive value. A homeowners association falls into that category.

There is nothing wrong with social media for your homeowners association. Where it becomes a bit tricky is when access is not restricted to members only. An HOA is a private organization and membership is determined by having your name on the property deed. Some of the social media platforms allow for filtering by membership. For example, Neighborhood.com does a pretty good job of checking to confirm that the user actually lives where they say they live but that does not equate to actual HOA membership. Renters and other residents not listed on the property deed are NOT legal voting members of an HOA.

Sites like Google Groups and Yahoo Groups do allow for a host to set up a group, and presumably that host has a way of determining that those they give access to are HOA members. However, unless the host has a method of ensuring that those with access are truly legal (by deed) members, all members are at potential risk for the actions of those who take part in the list.

What is the potential risk if you do not operate your social media properly?

Publishing Private Information.

When HOAs disclose private information (like posting financials and meeting minutes) in a public forum, there is always the chance that information may be used by outsiders. For example, telling the world the HOA

has a million dollars in the reserve fund makes it a target for cyber theft.

Diminution of Property Value and Loss of Sale.

Social media sites can carry discussions of unhappy members, which may be based on rumor rather than fact. Sometimes the discussions can get heated enough that nasty and libelous comments are made. If the social media can be mistaken as "official" (HOA sponsored), the liabilities can flow through to the individual members. What liabilities? Loss of sale claims, defamation claims, and diminution of property value claims are a few that come to mind.

Increased Management and Operating Costs.

An HOA social media site can be mistakenly believed to be official HOA media. When there are no board members or management monitoring the postings, things can be written that are rumor or totally false and get members unnecessarily riled up.

How To Do It Right.

1. Control Access to Membership. Make sure that only members (those on the deed) have access. Make sure there is frequent scrubbing of the list as members move in, move out and file quitclaim deeds affecting ownership. The management company should be able to assist with this.

2. No Personal Attacks. Members can disagree, complain and discuss whatever subject they want to but remove any posts that include personal attacks and those that post them.

3. Restrict Board Member Access. Board members should not be discussing HOA business except in noticed meetings. If the board gets involved in social media conversations, they violate that principle. Boards should speak with one voice and only after they have reached a decision. If no decision has been reached, no board member has the right to speak for the

board unless that right has been specifically delegated. These problems can be avoided if board members simply monitor social media but not give input.

4. Provide an "Ask the HOA" Forum. This is a moderated forum where members can ask questions and receive answers for all to see. This is a good solution for getting rid of some of the rumors and false information that tends to grow in the non-moderated forums.

5. Denounce "Unofficial Forums". HOA members that want to start a forum have the right to do so. However, if the members think it is the HOA's official forum, they need to be informed that it is not.

6. Get Legal Advice. There is risk involved in hosting a social media site. Have the HOA's attorney review what you intend to do and advise on potential risk and what can be done to reduce it.

7. Concerning Elections. Check your election rules and seek a legal opinion on how social media may be used during an election or if it can be used at all. This is particularly important if there is an unofficial media site that has had board members posting to it or that members think is "official". The situation is more difficult because the board cannot turn off an unofficial site or restrict comments.

Social media can help an HOA by providing enhanced communications for members. It can stop rumors. It can help get the word out. But to be effective, access must be limited to members. If there is an unofficial social media, distance the HOA from the liabilities that it can cause. That starts with board members not participating.

By Roy Helsing PRA **APRA**

Fall Maintenance Checklist

Every fall, homeowner associations should exercise a series of preventive common area maintenance functions. For small HOAs or those with few common elements, the list will be short and easy to complete. For larger, more complex complexes, the list can be daunting. But, overlooking these things can have disastrous and expensive consequences. Here's a helpful checklist

APRA offers the Professional Reserve Analyst (PRA)TM credential to members that qualify by related education, years of experience and client references.

APRA members provide high quality reserve study service throughout the United States and Canada.

APRA Institute offers professional reserve study provider education with its Annual Symposium, Webinar Series and PRAs-Only website resources.

**For contact and membership information:
www.apra-usa.com
Phone 877.858.5047**

APRA

Association of
Professional
Reserve Analysts



to kick start the process.

Clean Carpets, Upholstery, Draperies & Air Ducts.

- Carpets should be cleaned at least once a year and more often if traffic demands it.
- Furniture upholstery and draperies of common areas should be inspected and cleaned if necessary or at least every two years.
- Common area air ducts in the hallway, clubhouse, etc. should be cleaned at least every three years to abate spores, dust and mold that trigger respiratory problems or allergies.

Heating System Maintenance

- Forced Air Systems. Remove any flammables stored in the room since the fumes could be ignited by the furnace when it's fired up. Change the filters. Set the thermostat to heating mode and test the furnace to burn off the dust that collects over the summer and to ensure it is in working order. Consider hiring a heating professional to perform a maintenance check-up, including these steps:
 1. Inspect thermostat for proper operation.
 2. Inspect filter and change or clean as

needed.

3. Check all electrical components and controls.
 4. Oil motors as needed.
 5. Inspect heat exchanger for possible cracks, which would introduce carbon monoxide into the living space.
 6. Check air flow. If diminished, it may be necessary to clean the evaporator coil and ductwork.
 7. Check air fuel mixture, where appropriate.
- Gas Burner System. Clean burners and ports, or have them professionally cleaned.
 - Oil Burner System. Have a professionally serviced; lubricate fan and motor bearings.
 - Heat Pump. Have a professional inspect wiring, belts and oil the moving parts.
 - Hot Water System. Have a professional check shut-off valve for leaks and drain lower water cut-off per manufacturer's instructions. Lubricate pump and motor; bleed air from radiators or convectors.
 - Oil Fired Boiler. Have professional perform annual maintenance including flue cleaning, a fuel-filter change, cleaning and adjustment of the jets.

Door & Window Weatherstripping.

Check the weather stripping around all doors and windows and replace it if necessary.

Fireplace & Chimneys.

- Arrange a professional chimney inspection of all chimneys as a fire safety precaution. Have those that need cleaning done at the owners' expense.
- Install chimney caps where missing and replace those that have rusted out to protect your chimney from water, debris and critters.

Windows & Doors-Common. Inspect and replace cracked or broken glass. Repair frames; replace broken, worn, or missing hardware; tighten and lubricate door hinges and closers.

Parking Lots.

- Arrange for sweeping.
- Have drains cleaned out.
- Repaint curbs.
- Repair deteriorated areas.

Exterior Lighting-Common

- Replace burned out bulbs for better security and night visibility.
- Reset exterior lighting clock to adjust for seasonal change or replace with photocell system.

Water Heaters-Common

- Turn off the energy source and flush until clear of sediment.
- Inspect flue assembly (gas or oil heater); check for leaks and corrosion.

Foundation

- In cold weather climates, close or plug foundation vent openings.
- Check and correct grade for proper drainage away from foundation.
- Repair cracks.

Decks. Inform residents to remove potted plants and removable carpet which can promote dryrot under wet conditions.

Gutters & Downspouts. Clean gutters and downspouts and make sure they are running clear.

Landscaping

- Prune back trees or shrubs at least three feet from the siding and roof.
- Fertilize, thatch, aerate and reseed turf areas.

Plumbing-Common

- Check for rust or white lime deposits

that indicate leaking

- Install covers on outside hose bibs if danger of freeze is possible.
- If drain line blockage is common due to buildup or tree roots, perform a preventive flush or rooting to prevent back ups and flooding.

Roof-Shingled

- Check for warping, aging, moss and cracking; Repair or replace as needed.
- Inspect and repair flashing around chimneys, skylights and vents.

Roof-Flat

- Sweep to remove debris; clear all drains and scuppers.
- Inspect and repair separated roofing seams
- Inspect and repair parapet wall caps.
- Inspect and repair vent and pipe flashing

Siding. Inspect siding (especially on the sun and weather sides) for evidence of deterioration, including cracks, splintering, decay, and insect damage; clean, treat, recaulk and repair as needed.

- Brick & Stone: Check joints between wood and masonry. Waterproof, repair or repaint if necessary.
- Wood: Look for peeling paint or splitting wood which is evidence that water is getting into the siding. Prime and repaint as needed.
- Stucco: A chalky residue is evidence of oxidation and deterioration of paint or color coat that reduces stucco's effectiveness. Repair cracks which allow water to get in around windows and doors.
- Trim: Remove peeling paint on the trim and fascia boards, window sills and sashes; Prime and repaint as needed.

Winter Preparations. Make sure your ice and snow removal equipment is in good repair. Buy snow melt product and place in accessible locations near steps and walkways for residents' use. Contract for future snow removal if appropriate.

A timely and well executed Fall Fix Up can go a long way to preventing unexpected failures of your building and grounds components. It will also ensure that your components get the longest life and reduce unnecessary expenses. Guess what? Fall is here and it's time to get busy! **APRA**

The Helsing Group, Inc.



Reserve Study Specialists

**Professional Reserve Studies
Qualified Site Inspectors
Color Reports
Maintenance Suggestions**

A program so revolutionary it's trademarked!

4000 Executive Parkway, Suite 100
San Ramon, CA 94583

**Tel (925) 355-2100
800-4HELSING**

www.helsing.com

No Fault Asphalt

Asphalt paving is a common road and parking lot surface in homeowner associations. While cheaper to install than concrete, it must be regularly maintained to achieve its longest useful life. Asphalt has two major weaknesses that limit its useful life:

1. Poor resistance to UV radiation (sunlight). Asphalt pavement is a combination of rock, sand and liquid asphalt that binds everything together. UV radiation breaks down the asphalt glue so that it no longer hold the rocks and sand together, gradually eroding the top surface. The most obvious sign is the gradual change in color from black to gray. Next, the asphalt begins to look rough and piles of sand appear in the low areas of the parking lot. In the later stages, the bigger rocks fall out. Because the asphalt is oxidizing under the UV radiation, it loses its flexibility. Flexibility is extremely important because asphalt can take great loads and bounce back to its original condition. As asphalt loses flexibility it becomes brittle, cracks and breaks.

2. Poor resistance to petroleum products. Petroleum products like oil and gas cause damage since asphalt is a petroleum based product. Gasoline and oils will dissolve the asphalt, soften the structure and cause major damage.

Based on the poor resistance to UV radiation and chemicals, it is logical to conclude that some sort of coating should be used to protect the asphalt from the harmful elements. Asphalt can be effectively protected by using a seal coating which acts as a barrier between the harmful elements and the asphalt. A coal tar emulsion sealer is highly resistant to water, gas and oil, salt, chemicals and UV radiation.

Before seal coating, the asphalt must be cleaned to be free of all dirt, vegetation, and other foreign debris using blowers, sweepers, brooms, and sometimes high pressure washers. Once the pavement is cleaned, existing oil spots should be primed so that the sealer will adhere. Normally two coats of sealer are applied by squeegee or spray. Once the seal coating is completed, it is very important to keep traffic from the sealed surface for 24 hours. Traffic before 24 hours will cause premature wear and increased tire marking. During this 24 cure period the striping can be accomplished so that after the 24 hours, your parking lot is completely ready for traffic.

Another great asphalt preventive maintenance is crack sealing which should be done in conjunction with seal coating. If cracks are left unattended, water is able to penetrate to the base to destroy its strength and load bearing capabilities. It is evidenced by "alligator" cracking, sunken areas and potholes. Cracks at least 1/8" or wider should be treated with a hot poured crack sealant which remains effective for 3-7 years.

Seal coating and crack sealing can double or triple the useful life of the asphalt at a fraction of cost of an overlay. Seal coating also gives great curb appeal and the impression of good overall maintenance. There is much to gain by caring for paving. Engage in no fault asphalt maintenance practices.

APRA

SHARE THE LOVE!
 The APRA Advisor is published every other month and available free to anyone that would like to receive it. Share it with the entire board or office. To be added to the list, simply email APRA@teamwi.com

**Regenesis
 Pacific Northwest
 Reserve Study
 Service**

- COMPLIES WITH STATUTE
- FAIR FUNDING PLAN
- EASY ROAD MAP TO FOLLOW
- EXTRAS BONUSSES
- 100S OF SATISFIED CLIENTS

FOR A FREE NO OBLIGATION PROPOSAL OF THE BENEFITS AND COSTS, CALL

Ph 503.977.7974

MEMBER OF
 Association of Professional Reserve Analysts
 Community Associations Institute

5 Maintenance Goals

One of the earliest advocates of preventive maintenance was Ben Franklin. He wisely wrote: "A little neglect may breed mischief...for want of a nail, the shoe was lost; for want of a shoe the horse was lost..." Old Ben nailed what happens when relatively small repairs have major impact on homeowner association assets. For example, a small lack of flashing can lead to major dryrot, structural problems and major expense. **Ka-CHING!**

Preventive maintenance is critical to managing an HOA's assets. When executed properly, it extends the useful life of buildings, grounds and equipment. Stretching out useful lives means stretching member contributions and reducing downtime from component failures. Preventive maintenance involves fixing something before it breaks. Here are five objectives for a every preventive maintenance program:

1. To perform maintenance that keeps the property safe and functioning.
2. To promote the most effective and efficient use of resources.
3. To estimate the human resources needed for proper operation and maintenance.

4. To determine long range funding requirements and project scheduling.
5. To evaluate the effectiveness of the maintenance effort.

Preventive maintenance programs are common with elevators, HVAC and pool equipment, usually because there is a service contract. Other components, like paving, roofing, decks and paint require monitoring and planning.

Functional obsolescence is also a legitimate concern. Lack of parts, improvements in efficiency, computerization and changes in fire and building code can make equipment obsolete even though it's working just as designed. This is particularly applicable to elevators, boilers, pumps and HVAC. Buying new equipment is often a great investment in reduced operating costs. For example, by replacing all common area lighting with compact fluorescent bulbs, the light level will be significantly increased, the energy consumption reduced by 70% and the useful life of each bulb extended by 10-15 times thereby saving an enormous amount of labor costs. Within 12-18 months, the cost will be recouped in energy savings and then, it's money in the bank.

So, what is the best way to address major preventive maintenance? Two words: Reserve Study. A Reserve Study identifies all the significant components that the HOA is responsible to maintain, assesses current condition, cost of repair and replacement and charts a 30 year maintenance plan to keep the components in their best condition.

The Reserve Study can provide for cyclical preventive maintenance so components achieve their optimal lives. For example If cracks, minor repairs and sealcoating are performed at least every five years on asphalt paving, major repairs will not be required for 20-30 years. If this relatively inexpensive preventive maintenance is not done, significant and costly major repairs will be required much sooner. Pay a little to save a lot.

Remember Old Ben's nail analogy. Little things have a way of causing great things to happen. But rather than fail in the little things, plan for them and hit this nail right on the head. **APRA**