



CARRIAGE MANOR RESORT

# OCTOBER 2021 RUMBLE SHEET



**SECURITY**

Speed limit is 10 MPH  
Stop at Stop signs  
No parking in Fire Lanes  
and on streets after  
Midnight  
Notify Security of  
scheduled contractors  
Bicycles and golf carts  
must obey all traffic rules

**FRIENDLY REMINDERS**

**ADMINISTRATION**

Please check in and out  
at the Front Desk!  
Quiet hours are  
11 PM to 7 AM

**CONTRACTORS HOURS**

7am to 4pm  
**Beginning October 16th, 2021**  
8am to 5pm

**PHYSICAL PROPERTIES**

Trash Schedule  
Entire Resort  
Monday & Thursday  
**Beginning October 12th, 2021**  
Section 1 & 2 Monday & Thursday  
Section 3 Tuesday & Friday  
**Please have trash  
out to the curb on the proper days**

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

7750 E. Broadway Road, Mesa AZ 85208 | 480-984-1111



## MANAGER'S MESSAGE

Even with much uncertainty in terms of COVID, we have planned for a fully operational 2021/2022 season. **Key word is "planned"**. If COVID has taught us anything, it is you can have a plan and a backup because things beyond our control can come along and wreak havoc on those plans.

JERRY IS BACK!

It gives me great pleasure to announce that Jerry, along with seasoned volunteer cooks, will be providing home-cooked meals this season! The public is welcome to patronize the Patio Grill either in person or take home your meal. The Patio Grill will provide weekly menus displayed throughout the resort, social media, and CM Posts. Patio Grill's menu has been streamlined due to increasing food costs, but despite that fact, Jerry and our volunteers promise to deliver homemade meals that will comfort any appetite. Check out Carriage Manor's Patio Grill opening on Monday, November 1st for breakfast and lunch!

JON'S STILL HERE!

He'll be moving back to the Activity Office around the end of this month. Jon, along with the Activity committee and the club's, have a full season of events scheduled for your entertainment.

Please note a change has been made to weekly coffee and donuts – it is moving from Wednesdays to Tuesday's, but still same place, same time. Maybe we can call it "Tuesday Talk"? Please remember to bring your own coffee cup and we hope to see you there!

Stated at the beginning, the effects of COVID leave much uncertainty. As of this writing the US Government has potential for a shut down. I am sure some of you are aware the Social Security Administration is currently estimating the 2022 COLA increase between 5.5-6.5%, with final amount to be determined later this month. (For perspective, the rate for 2021 was 1.3%, and 2020 was 1.6%.)

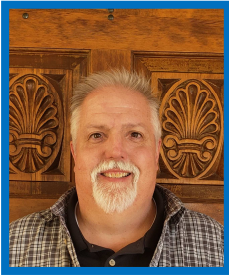
Staff, the Board of Director's and Budget and Finance committee have been working on the 2022 budget over the last several months. The current draft includes a full 6% increase as well as potential to utilize **CC&R 9.8 Supplementary Assessments**, as conditions require.

I assure you the Board of Director's, Budget and Finance committee and myself will make every effort to provide the members with the level of service you are accustomed to while always monitoring income to expenses as our fiduciary duty to the community.

Safe travels and see you soon!

*Mary K Candelaria*

*General Manager CMCA, AMS*



## PHYSICAL PHACTS

This summer, although started typically hot, has been refreshing with cooler temps caused by the monsoons. The swampy air is an accepted discomfort hoping Mother Nature can give us back enough to replenish what we take. We all need to continue to do our part in the managing of resources and be 'water wise'. Maintenance tries endlessly to contend with water issues as quickly as we can in support.

As we dry out in the desert we will notice more critters, bugs, flies and every known pest that can torment. Even ones we have not seen for some time. I suppose water is good for every living creature. Truly a nuisance to us but perhaps we are pests and intruders to them?? So we keep swatting, scratching, stomping, and cursing trying to find some peace. When in the end I am sure we will just have to wait out the cycle of these temporary changes.

I question if change is good sometimes as I like many enjoy the rut I have spent so much time digging. It seems of late that any 'change' causes a discomfort to be contended with for some time. Is change a necessity to our growth? Is there truly a normal? All I know is one can only learn about what is coming, prepare and adapt, and have faith that the bottom doesn't drop out. Full circle we go, round and round, evolving. Do what you will Mother Nature.....I will keep swatting and cursing.

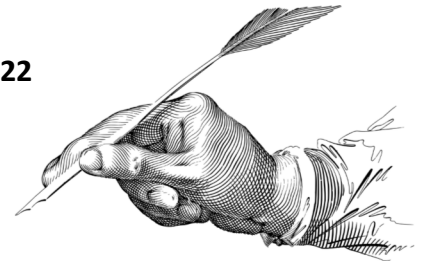
*Nate Allred*

*Physical Properties Manager*

## CARRIAGE MANOR WRITERS GROUP



November 5, 2021 through March 25, 2022  
EVERY FRIDAY MORNING  
9:30 – 11:30 A.M.  
MUSIC ROOM



Anyone with a desire to write is invited to attend Carriage Manor Writers Group that meets for two hours on Friday mornings to create and share written expressions of what our minds imagine and remember and to describe emotions, personalities, nature, experiences and much more. Join us and document your family stories, pen a poem, try your hand at a fairy tale or fantasy and enjoy the stories of others.



## ADMIN NEWS

Hello and Happy October!

As more of our winter visitor's are returning I wanted to put together a few seasonal reminders.

Remember to put in a change of address with your post office BEFORE you head back here for the season.

1. When you arrive, please call the office at 480-984-1111 to check in and open your mailbox.
2. If you will be needing high-speed internet access (no contract required), contact CenturyLink at 888-285-6808. **(Make sure you give them the Carriage Manor referral code: 295493.)** If you will be arriving during the peak months of December or January, they recommend you contact them early to guarantee your startup date.
3. Are you planning to rent your property this season? **Remember you must turn in a Third-Party Agreement along with the \$25 Homeowner fee** (See Governing Documents R&R 12.21) to the Admin office at least 1 week prior to your renter arriving. (Third Party Agreements are available in the Admin Office or on our website, CarriageManorResort.com in the forms tab.)
4. Also, please let your renter know they need to check in with us, show valid ID to verify age and there is a \$10 per person resort fee plus.
5. Have you moved in the past year or so? Please remember to update your address and if you have more than one property, make sure I'm aware to update all your properties. Also, if AZ is now your permanent residence, please tell me to remove your old address from our system.

We look forward to seeing you. THIS should be an interesting season!

*Jon Larson*

*Activities Director/Front Desk*



MEXICAN TRAIN DOMINOES  
EVERY SATURDAY IN THE CARD  
ROOM

6:30 – 9:30 pm

The above game will be available **ONLY** if the Covid rules remain the same as of Sept. 1, 2021.

Contact: Joyce Wootton – 204-292-0100 or [wootty@mymts.net](mailto:wootty@mymts.net)



# CHIEF'S CHAT

I would like to start off by saying that we in the security department hope that everyone is safe and having a wonderful summer at your respective residences.

Security has had a couple of the force leave due to health complications so we have brought on board some new faces in the department which are fitting in very nicely. They are picking up on their respective assignments very well.

The weed situation in the east valley is growing rampant due to the higher-than-normal rain falls. The rains have diminished finally although it was very good for Arizona to accumulate the amount of rain fall that we did receive.

As everyone starts returning to Carriage Manor Resort, just a few friendly reminders from the security staff:

1. Please obey the traffic rules for the resort.
2. Call in your contractor that are scheduled in for work on your properties.
3. If your vehicle entry tag is inoperable upon arriving at the resort, please notify security in order to promptly correct the situation.

*Terry Friebohle*  
*Chief of Security*



## **REMINDER:**

### **IF YOU HAVE ANY CONTRACTORS** **DOING WORK ON YOUR PROPERTY...**

**\*\*IT IS VITAL THAT YOU NOTIFY SECURITY BEFORE CONTRACT WORK BEGINS.\*\***

AND OBTAIN AN ARC PERMIT IF REQUIRED

SECURITY **WILL NOT** LET UNAUTHORIZED PERSONS ON TO YOUR PROPERTY. THIS INCLUDES CONTRACTORS. IF YOU DO NOT CALL SECURITY AND AUTHORIZE DIRECTLY, CONTRACTORS MAY BE BARRED FROM ENTRANCE.

You can even call a few days before if you're not exactly sure which day they will arrive.

You can authorize them for a certain timeframe.

\*\*\*\*\*

**Security Direct Line 480-986-2467**



# REAL ESTATE ROUNDUP

Hello Everyone,

I'm so excited that October finally is here with the cooler weather and many of our winter owners coming back.

Real Estate has been "hot" all summer, (pun intended). Currently we have very few active listings for sale in Carriage Manor. There is currently 1 manufactured home (see featured home below), 0 park models and 4 RV lots for sale in the entire community. Most homes are selling within 1 week of going on the market. If you are considering selling your property, please call me! The market has never been better for sellers, I have buyers calling me daily looking for homes.

## Featured Home:



Magnificent, 2013 manufactured home (HUD approved) is a rare find here in Carriage Manor, it is 965 square feet and is on a huge corner lot. Home has been recently remodeled with all high-end custom finishes. This is an entertainers dream with a large living area inside and two large decks outside. This home is absolutely stunning! Located on an oversize lot that is a full 50% larger than the average. Only steps away from the clubhouse, pool, tennis and all the amenities. For more photos of this amazing home visit the Carriage Manor Realty page at [CarriageManorResort.com](http://CarriageManorResort.com) **125 Jordan**. Call me to view this amazing home.

Yes, we loved our Monsoon rains this summer, but they have brought out weeds and insects, and when I say insects, I'm including TERMITES! Recently I've noticed a dramatic increase in inspections finding evidence of termites. I felt I should let everyone know that because of this increase. I am recommending you consider contacting someone to do an inspection or treatment (if you haven't had one within the past year or two.) I know it's made me concerned enough that I'm having an inspection done on my own house.

Please remember to call me if you or someone you know is interested in buying or selling.

*Lorri Blankenship*

*Sales Director - REALTOR® - SRES®*

*Carriage Manor Realty*

*480-984-1922 Office : 480-766-8419 Cell*



# BINGO, BINGO, BINGO.



For all you Bingo enthusiasts, BINGO like never B4. Carriage Manor will again have Monday bingo nights starting in November 2021. The exact date is still pending but keep your dabbers ready and your good luck trinkets handy.

Hello, my name is Abdiel Almodovar, and I have accepted the role of Bingo Manager. I know I have big shoes to fill in replacing Ron, but I will do my best to do so.

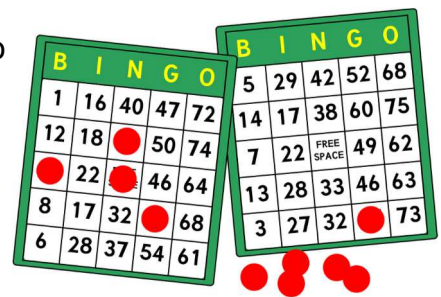
My hometown is Chicago, IL, but currently, I reside in Orland Park, IL, when I'm not in Carriage Manor. This is my first year as an owner here in Carriage Manor, and I rented the previous two years as well.

Next December, my wife, Lillian, and I will celebrate our 48th anniversary. We have three children and five beautiful granddaughters.

I enjoy playing sports like pickleball and volleyball and spending time in the woodshop making bowls and pens. I also love jokes, so here's one on topic for you:

How do you make 9 ladies at Carriage Manor simultaneously use profanity?

- Make a 10th one shout, "Bingo!"



## CARRIAGE MANOR LIBRARY



Carriage Manor Library is full of great books, audiobooks, DVD's & magazines to check out. Due to Covid, we have lost some of our volunteers this season.. We need your help in checking in books, shelving, and keeping the library shelves filled with your favorite items.

You choose the day & time you can work according to different schedules. If you could give us a couple of hours a week, we would really appreciate it.

Thank you.

# Lapidary ~ Silversmith Club

Latest info activities & classes on our website:

[lap-silver.simplesite.com](http://lap-silver.simplesite.com)

## Oh! Bummer - It's Summer

Our shop is closed until November 1st

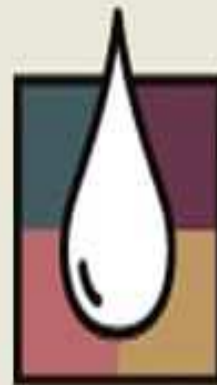


Like us on

**facebook**

At our official page

[CARRIAGE MANOR RESORT](https://www.facebook.com/CARRIAGE-MANOR-RESORT)



**WATER  
USE IT  
WISELY.**



# Carriage Manor Bowling League

Organizational meeting November 4, 2021 Social Hall @ 3:00pm

November 8, 2021 First week of bowling

**Where:** We bowl at Mesa East Bowling on Broadway just east of Ellsworth.

**When:** Monday afternoons at 3:00 (show up at 2:45), done a little after 5:00PM

**Schedule:** Start bowling November 8, 2021 (2<sup>nd</sup> Monday of November).

December, we bowl for the first 3 Monday's. On vacation from December 21 – January 2<sup>nd</sup>, resume bowling Monday, January 3, 2022.

League's final bowling date would be March 14, 2022 with roll off between first half of season winning team and second half winning team on March 21, 2022.

The CM bowling group/family tries to have a lot of fun. Individual scores range from under 100 – 220, with most bowlers closer to the 125 – 155 range.

If you are interested in taking up bowling once again, this is the group for you. Many of us put our bowling balls in the closet for a couple of decades, now that we have time, we are having fun.

I have six teams as of now with three names on a waiting list to hopefully fill out the last two teams.

**I need FIVE more bowlers for this season**

We **do not** use subs, with only a couple of people willing to sub, they would be bowling every week and that is not what they want to do.

Please contact me to let me know if you would like to come and have fun with the rest of us from CM.

I would appreciate your response ASAP!!

Thank you,


Arne Teigen

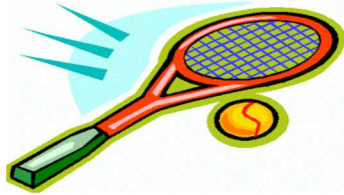
CM #859 (not in the resort at this time, will be by October 18<sup>th</sup>).

[ajteigen@gmail.com](mailto:ajteigen@gmail.com) ( my preferred way for you to contact me)

651-485-0021

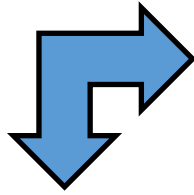


**HALL**  **LOWEEN**



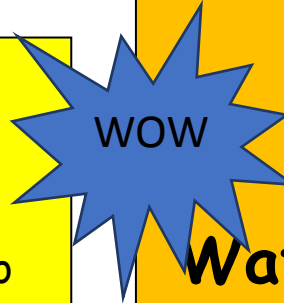
## Racquet Racket

Here's what you can look forward to in the coming 2021-22 season.



**FREE** Tennis Lessons

Instruction and equipment provided. Come on down to the courts and join us!



Round-Robin  
League Tennis  
Casual Play

And

Fun Events!

**Watch for Details**

## BROADWAY CHAPEL

*We are excited to announce that we plan to have Chapel Service this season, beginning November 7, 2021. But of course, this is predicated on the CDC's guidelines and state and local agencies.*

*Broadway Chapel is a non-denominational church. We have Chapel Service each Sunday at 9 AM and welcome everyone to attend. Following chapel, we have fellowship with refreshment in our Social Hall, a time to meet and greet friends and become acquainted with new people.*

*For the past three years, we have had the privilege of having Bill Carson as our Pastor. It is a pleasure to announce that Bill and Cindy Carson has agreed to return to Broadway Chapel for another season. We hope you will join us this year.*



## BROADWAY CHAPEL CHOIR



Do you like to sing? Then, here is your perfect opportunity to join our Chapel Choir here at Carriage Manor. We meet each Friday, 3 PM for one hour in the classroom next to the sewing room starting October 29th. In addition, we provide music for our Chapel Service in the ballroom Sunday mornings at 9:00 AM. This year we are privileged to have one of our CM residences, Carol Reausaw, as our Choir Director.

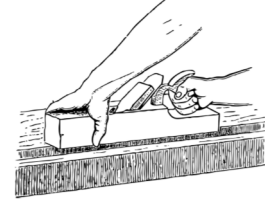
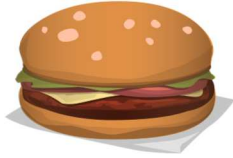
We look forward to welcoming new members to our choir. For questions, you can contact Patti Beauchamp, 720-810-0035.

## Greetings from the Carriage Manor Woodshop

It will be good to see you all for the 21/22 season. We have some new members in the woodshop and we invite everyone at Carriage Manor to stop by the woodshop and check out the shop.

We will especially be glad to have our Canadian friends back. As you have had a year to ponder new ideas we eagerly await to see your new projects take shape.

We are hoping that the 21/22 season looks a bit more normal, but the increased number of COVID cases is worrisome.



### The first Woodshop Burger night for the 21/22 season will be Dec. 4<sup>th</sup>

For Burger Night to be a success there are many tasks to be done and a need for volunteers. We welcome all Carriage Manor residents that wish to volunteer. It's a great way to meet your neighbors, make new friends and have some fun.

Any questions or to volunteer, contact Ken Novak (701) 214-9536



## Welcome Newbies!



This has been a most unusual and difficult time and I want to apologize to all those who came into our resort during Covid and we were unable to properly greet you.

Normally you would have been able to attend the gatherings hosted by the Ambassador Club to help you to navigate your new life at Carriage Manor. But due to Covid it was not possible to do this and I'm guessing many of you still have questions.

It looks as if we will be able to have a normal season this year and the first Ambassador Club gathering will be held on **November 18<sup>th</sup> from 3:00 to 5:00 in the Social Hall.**

We will be serving ice cream bars at this meeting and the Ambassador Club members will be there to greet you (finally!) and help to answer questions you may have.

These gatherings are helpful to identify other new members and many friendships are formed. In the interim, please feel free to email me at [dollmaker127@gmail.com](mailto:dollmaker127@gmail.com) and please put Ambassador in the subject line so it doesn't go into spam and I'll try to help you out.

We appreciate how patient you've been during this strange twilight zone called Covid and look forward to meeting you in November. Please **sign up in the Activity Office** for this event so we don't run out of ice cream bars. Thank you.

Cheryl Keeffe

Ambassador Club Liaison

# Welcome!

# Welcome to the Last Chance Café



The Patio Grill Committee has been busy all summer looking for a solution as to how to reopen the Patio Grill. We thought we had a lead on a kitchen manager but he soon revealed some traits we didn't care for. After our adventures with Michelle & Phillip we decided it just wasn't worth taking the chance. So, we will attempt to run the Café this 2021-2022 season with Jerry and his faithful volunteers. He is willing to do the everyday kind of cooking and the Ladies of the Kitchen will convene to offer some tasty specials like they did last year before Covid put us out of business.

To make this possible, it was necessary to scale back the Grill, making it easier to operate. It will still be open Monday through

Friday with breakfast from 7am—9am and lunch from 11am—1pm as before. There will be no breakfast served Tuesday morning as that will be the new day for coffee & donuts.

We ask you to understand that the Grill is not a full service restaurant and it was difficult to accommodate everyone's wishes last year. So this year the menu will be simplified.

Breakfast will be a flat \$7.00, whether you opt for the everyday offering of two eggs, hashbrowns, choice of two strips of bacon or a sausage patty or the Special of the Day. There will be no ala carte items. Specials of the Day will include such items as hashbrowns & gravy with breakfast meat, pancakes, waffles, omelets, egg bake and the like.

Coffee will not be offered with any special, but will remain \$1.00 as it has been since forever.

Lunch will be \$9.00 for either the Special of the Day or the everyday option of a burger & fries. If needed, this may be raised to \$10 at the beginning of 2022 due to cost increases. **A bowl of soup & crackers will also be a standard option for a price as yet undetermined.**

Some of the specials will be created by the Ladies of the Kitchen and feature items you have loved in the past. Other specials will be prepared by Jerry such as the liver & onions, philly cheesesteak and chicken fried steak to name a few. There will be some of the large chef salads offered as a special as well.

The Friday fish fry will be \$10 and include two pieces of fish with coleslaw. You will have a choice of French fries, baked potato or a cup of clam chowder. There will also be an option for a cup or bowl of clam chowder at a price to be determined.

Desserts will be hit and miss and will cost \$3.00.

Prices have gone up everywhere and we have raised ours to be more in line with similar offerings. Please understand that this is still a good deal with you factor in the convenience, no sales tax and no tipping required.

Simply put, if the Patio Grill cannot make a go of it this season we will need to make a decision whether or not to continue with it or just allow the use of the kitchen to the clubs.

Please be patient with us as we attempt to make this endeavor a success. It takes about 50 volunteers to run the Patio Grill and a lot of work. We encourage you to patronize the Grill so it may continue. Take a friend to lunch, get some new people using the Grill. Thank you.

Cheryl Keeffe

Patio Grill Liaison



**FREE LESSONS** ARE HELD ON MONDAYS AND THURSDAYS  
FROM 1:00 – 2:00 PM. BALLS AND PADDLES ARE PROVIDED.

**THE PICKLEBALL CLUB MEETING WILL BE HELD ON TUES. NOV.9<sup>TH</sup>, 2021  
AT 3:30 IN THE SOCIAL HALL.**

**MEMBERSHIP DUES ARE \$20.00**

PLEASE PAY:

TERRY KING – LOT #906 – 403-540-3874 or JOYCE WOOTTON- LOT #173 – 204-292-0100

# UPCOMING EVENTS

**11  
DEC  
7-9:30**

**COME BACK BUDDY DANCE**

**WILD WILLIE'S  
DINNER & DANCE**

**29  
JAN  
6-9:00**

**26  
FEB  
7-9:00**

**JUKEBOX  
MEMORIES CONCERT**

**ST PATRICK'S  
DINNER AND DANCE**

**17  
MAR  
6-9:30**

CONTACT:  
JOYCE WOOTTON  
204-292-0100



## THE ROSARY HAS MOVED TO THURSDAYS



We would like to invite you to pray the rosary with us on Thursday mornings starting November 4, 2021 at 8:30 A.M. in the Card Room.

We pray for any and all special intentions you may have so please come and join us every Thursday throughout the year.

Call Fran Lingor at 605-228-4325 if you have any questions.

**Bill Harrison** *presents*  
**Talking to the Dead!**  
**Spiritualism in Arizona**



**Wednesday, October 27th**  
**In the Ballroom @ 10:00am**  
***Tickets \$5.00 in advance***  
***\$7.00 AT THE DOOR***  
**Refreshments Included**

Hey, do you know we have our very own Kitchen Band?



*The Carriage Manor Kitchen Band was established in 1993, and is one of only a few still playing!*

- We perform at local retirement and nursing homes nearby.
- We are blessing others while enriching our own lives.
- Instruments we play are: kazoos, washboards, bells, teapots, pie tins, spoons and other kitchen items.
- We play music from many eras.
- If you can tap your toes, you are eligible for membership..... LOL
- We are lots of fun – please come and help us “Rock Out – Retirement Style!”

Unfortunately, we are taking an extended intermission this year. We plan to re-establish our practice sessions and performances as soon as we can.

Nothing will stop us from making people smile!

## **COFFEE & DONUTS**



**Has moved to TUESDAY**

**Join us every Tuesday at 8m for**

**TUESDAY TALK**

**Beginning October 12, 2021**

**Free Coffee and Donuts**

**Provided by our weekly Sponsor**



# HALLOWEEN PARTY

Saturday, October 30th  
Social Hall 4:00-6:00pm

**Costume Contest**  
**50/50 Raffle**



**Lemonade**  
**Iced Tea**  
**Root Beer Floats**



**Brats & Sauerkraut**  
**Baked Beans**

**\$13**

Tickets available at the Front Desk after 10/4/21



*This article by Nik Clark was requested to be shared with you by your Board of Directors.*

## DRIVING YOUR ASSOCIATION INTO THE DITCH - THE VICIOUS CYCLE OF “KEEPING FEES LOW”

“We have a great board of directors. We haven’t had a fee increase in years”.

With this perspective, shared by a unit owner at a recent industry event, we see a critical mistake so many association boards make. In a desire to keep fees from going up, many association boards set a course that will steer their association straight into the ditch.

Costs increase. This is an irrefutable fact of any modern economy. If your association fees have not increased AND have not increased in a substantive way, your association is likely headed into a vicious cycle that will require painful intervention to break.

### HOW DOES IT BEGIN?

An association has annual operating expenses they incur every year. This includes things like mowing, utilities, cleaning, trash removal, insurance and other costs required to maintain daily operations. These expenses, which will eventually increase even after intense cost-conscious bidding and negotiating, must be funded annually or they are not received. Thus “keeping fees low” necessitates either abandoning those expenditures (at the cost of the appearance and performance of the association) or reallocating money intended for other purposes.

Pop Quiz!: “Where, within an association budget, can a board reallocate money to cover increasing annual expenditures without raising association fees?”. If you said “cut back on RESERVE FUNDING!” You’ve played this game before! While I haven’t done the statistical analysis, anecdotally I’m willing to bet 80% of all associations have made this very decision. (Note: If someone undertakes an actual statistical analysis, “bet the over” with respect to the real percentage.) Most associations have chosen to underfund their reserve in order to “keep fees low” today. The roof, the siding, the parking lot... Those expenditures only come up once every 20+ years. You can kick that can down the road for many budget cycles before “it” hits the fan.

All the motivation is there: “We have unit owners on fixed income”. “We want to keep fees low to help units sell”. “I just don’t want unit owners mad at me!”. This is how it begins.

### THE VICIOUS CYCLE:

Operating costs increase over time, so the Association Board under funds reserves to “keep fees low” – Everyone is happy.

Because of under funding, Reserve Fund is inadequate to fund major capital projects (roof) in a timely manner.

Association defers roof replacement because they didn’t have enough money and a special assessment wouldn’t be popular. NOT everyone is happy! Some unit owners who bought into well maintained and/or like -new condition condo do not want to sacrifice appearance and performance of their property just to save some nominal fee increases. Smart well funded owners see the writing on the wall and put their unit up for sale. The eventual buyers of listed units, by the very nature of the reality on the property, will be people who are willing to sacrifice property appearance for lower assessments. The property had some deferred maintenance, BUT the price was right and the fees were low so they bought.

Association ends up with some unexpected expenses for water damage from roof leaks. Roofs are finally replaced 5 years later than they should have been, spending more to re-deck the roofs due to water damage. DISASTER AVERTED? NO! Siding is now looking really bad but the association doesn't have the reserve funds to replace it. That's OK! We've played this game before. DEFER SIDING replacement. Its only aesthetics! But now MORE people are unhappy.

#### SPIRALING OUT OF CONTROL:

The property is in trouble. They scraped together enough money to replace roofs (later than they should have) but the reserve fund is severely depleted. The siding looks terrible, and the property now has a significant deficit in "curb appeal" but they aren't in a great place to remedy the situation. A special assessment would not be well received. When it came up at a board meeting the board members were afraid of making it back to their unit safely. The board Treasurer who saw this coming resigned. He doesn't need the stress. The board, trying to be compassionate to unit owners who are on fixed incomes and very sensitive to fee increases, cuts back on operating costs to try to funnel money into the reserve. They extend the painting cycle. Property condition deteriorates even more. Over the past few years, the well funded buyers saw what was coming and moved out. Unit sales prices declined significantly. Sellers took a hit because the property was now in poor condition, but they were relieved to get out of their unit. Any money they saved in lower association fees was negated by either seeing their investment fail to increase or worse yet, decline in value. Incoming unit owners are now EXTREMELY cost conscious, attracted to a lower sale price and lower fees to purchase a condo in a formerly sought-after association. They were eager to get into a unit for a "steal" and they could swing the low association fees as well. These unit owners will have a difficult time affording the "true" cost to live in their association, not to mention the cost to make up for 20+ years of underfunded reserve contributions.

For all the effort to "keep fees low" the association has driven itself into the financial ditch. They were not frugal or fiscally responsible. They followed the path of least resistance and made a series of bad decisions (with the best of intentions) each which made the financial situation worse and made the remedy more unattainable. The people who could have, and should have, contributed appropriately to fund reserves left new unit owners who tended to be more cost-sensitive (willing to accept a less attractive property because the "fees were low") with a double whammy: The cost to maintain a property PLUS the cost to make up for 20+ years of under funded reserves. Congratulations board of directors! Your decisions, over time, resulted in a community full of residents who could not afford the true cost to live there. Most associations survive. Some do not. The properties that survive have a painful recovery that typically involves special assessments, bank loans and fee increases but few return to their original glory. It didn't have to be that way.

#### THE VIRTUOUS CYCLE:

In contrast to the above (all-to-common) scenario is an association that understands that "keeping fees low" should never be the primary goal of the board of directors. While a board can do its due diligence with vigorous bidding and negotiation of annual expenditures to ensure fee increases are not excessive, stable, and equitable, planned fee increases should not be avoided. Proper reserve funding ensures your association will remain a sought after property for generations to come.

With the exception of construction defect issues and lengthy developer construction timelines (See Transition Defect Study and/or Retrospective Reserve Study) all associations start their journey in mint condition on sound financial footing. Notwithstanding legacy "drive-by boilerplate reserve studies" a quality detailed reserve study from an experienced provider is the first step to ensuring financial solvency \*and\* prosperity for your association. A quality reserve study is not a forgone conclusion. Boilerplate-type reserve studies give associations reason to question the results of the study which opens the door to inaction. Example: "The reserve provider didn't even go up on the roof, how can they say it will only last 15 more years?". Start with a quality reserve study in which you can trust the results. With every year that goes by without proper funding of reserves, your association increases the risk of falling into the vicious cycle described above.

## EYES WIDE OPEN:

An association that properly funds the reserve fund from the beginning will be giving current and future unit owners an accurate financial picture of what it truly costs to live in an association. In addition, as a result of having a quality reserve study, a board will be able to communicate to unit owners exactly what the fee schedule will look like for the next 5 years (the average useful life of a reserve study before an update is conducted). Proper reserve funding ensures that adjustments to the association fee schedule after a reserve study update will be minimal. Being new, the property is in top condition. A unit owner who, unfortunately, finds the monthly assessments difficult to afford will realize it very quickly and have the opportunity to sell their like-new unit, maximize sale price, and purchase a more affordable (for them) home. Prospective buyers will purchase a unit that is in like new condition with eyeswide- open with respect to the true cost to live there and the planned inflationary assessment increases.

## HAVE YOUR CAKE AND EAT IT TOO:

The association is properly funded. The need for special assessments is virtually eliminated. Everyone who lives in the association understands the true cost to live there. Everyone is paying “a little more” than an association that is not funding their reserve, but they are enjoying a property that is in top condition. They enjoy the pleasing aesthetic value and performance of properly maintained buildings. Their guests who visit see a beautiful property with great curb appeal. They minimize issues (and costs) from water infiltration and asset failure. That is ‘worry free’ living! When the time comes for select unit owners to sell, they will get TOP dollar for their unit. They enjoyed a great looking property the entire time they lived there, and they were rewarded for it with getting that money back in the form of a highly appreciated value of their asset on sale. They had their cake and ate it too. Your association will attract the kind of buyers you want in the property. Well funded unit owners who wanted a property in top condition and were willing to pay for it. Prospective buyers seeking “low condo fees”, thankfully, looked elsewhere.

When the time comes for planned projects the association has the funds to conduct roof replacements and siding replacements and parking area replacements as needed and without having to defer and sacrifice performance or aesthetic appeal. Everyone is happy. The virtuous cycle continues. Properly fund reserves, conduct projects in a timely manner, enjoy the beautiful property every day, and get rewarded with higher and higher unit sale prices. Who would chose to do it any other way?

If your association is not properly funding the reserves, you will suffer the consequences. You cannot escape the consequences of underfunded reserves. You do not save money by under funding reserves and “keeping fees low”. You are not doing unit owners a favor by misrepresenting the true cost to live in an association and devaluing their most valuable asset with deferred maintenance. That is not compassionate. If you don’t fund your reserves you will pay for it through future special assessments, a lower sale price when you sell your unit, or both. Why not have your cake and eat it too? © 2020 Nik Clark

**about the author:** *Nik Clark is the President and Partner at Superior Reserve Engineering & Consulting. Nik has over 17 years of experience with community associations having held executive positions with a prominent legacy firm in the reserve study industry before founding Superior Reserve in 2014 to address the shortcomings of “boilerplate” and “drive by” reserve studies. Over the past 17+ years Nik has partnered with property managers, developers, association boards, and many other real estate fiduciaries to bring industry leading long-term capital reserve planning, transition, and related consulting services to all types of real estate. As a featured speaker and panelist at hundreds of industry conferences and trade shows around the country, Mr. Clark has been a resource for managers, real estate executives, and properties in all 50 states and 36 countries. [www.superiorreserve.com](http://www.superiorreserve.com)*

# OCTOBER 2021

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 <i>Food Truck Friday 12-3pm Patio</i>	2
3	4	5	8	7	8	9
10	11	12 <i>Tuesday Talk 8am (SH)</i>	13 <i>BOD Work Session 1pm Zoom &amp; BR</i>	14	15	16
17	18	19 <i>Tuesday Talk 8am (SH)</i>	20 <i>BOD Meeting 2pm Zoom &amp; BR</i>	21	22	23
24 31	25	26 <i>Tuesday Talk 8am (SH)</i>	27	28	29	30 <i>Halloween Party 4pm (SH)</i>