

COMMUNITY LIVING

Handy do-it-yourself book for associations

New manual aims to help boards operate legally, efficiently and calamity-free

By Pamela Dittmer McKuen

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Small community associations usually have no choice about managing their affairs. Most don't have the money to pay for professional guidance. If they do, they soon learn that managers would rather work with bigger properties. That leaves a handful of homeowners, probably first-time buyers, to deal with the complexities of running an association.

A new do-it-yourself manual makes the job a lot easier. "Simplified Self-Management: A Practical Guide with How-Tos and Forms" guides board members through their roles and responsibilities. It was written and published by industry veterans Angela Falzone and Shirley Feldmann of Association Advocates Inc. in Park Ridge and Chicago.

The biggest problem for self-managed associations is lack of knowledge, said Falzone.

"Boards simply don't know what they don't know, and when problems arise, the owners end up paying the price," she said.

"If your association isn't managed like a business, it can prevent your unit from interesting potential buyers, or worse, prevent lenders from approving mortgages or refinancing existing homes," said Feldmann.

Feldmann and Falzone have long advocated for small and self-managed associations. Feldmann was a TV producer and first-time condo buyer who steered her former association through a difficult developer turnover. Falzone was a 30-year property manager who was bothered by the lack of resources for small associations. In 2001, they teamed up to offer board training, consulting and project management services. They work with associations of all sizes, but most are independently run. Over time, the duo answered the same questions so many times that they decided to write a book.

The 300-page manual is designed to help boards operate legally, efficiently and calamity-free throughout an association's lifespan. It is organized into eight sections that cover the administrative, financial and physical aspects of property management. Included are interactive checklists, how-to's and 70 customizable forms that show boards what they need to do, how to do it and when to do it.

The section on Budgets and Financials, for example, contains step-by-step instructions on creating the first budget

after developer turnover, creating subsequent budgets and hiring an accountant. The section on Maintenance and Operations explains how to develop an operations manual and an emergency plan. Elsewhere are samples and templates for rules and regulations, paid assessment letters, year-end financial reports and meeting agendas.

"Whether the association has cumulative voting or non-cumulative voting, we give options for those types of ballots," said Falzone. "We also tell them how to go back to their declarations and figure out if they have cumulative voting or not."

The authors also dispense loads of practical advice. They recommend that more than one board member have access to each bank account. They're not keen on making residents supply the board with keys to their units, but some declarations require it and boards must follow their declarations.

"The key to working smarter and keeping costs down is to standardize the processes," said Feldmann. "Incorrect protocols can result in legal risk, increased expenses and reduced property values."

The manual gives no legal advice, but it was edited for compliance with Illinois laws that govern associations by attorney Robert Nesbit of Kovitz Shifrin Nesbit in Buffalo Grove.

"It's a great resource, and a comprehensive compendium of knowledge," he said. "I don't know of any other place self-managed associations can go to get most everything they need to operate on a day-to-day basis. If you can't afford management, at least you should know what you're doing."

The introductory cost of the manual, which includes tiers of e-mail and telephone support, starts at \$800 for the electronic edition. Hard copies, compact disks, retainer packages and training sessions also are available. The table of contents and sample pages can be viewed at associationadvocatesinc.com.

Here are a couple more resources for self-managed associations:

■ Managementhelp.org is a free online library that focuses on leadership and management. The site covers 650 topics including problem resolution, facilities management and a toolkit for boards, managementhelp.org.

■ A free educational seminar on strategies for effective association government will be presented by Wolin-Levin property management company from 6:30 to 8 p.m. April 7 at Rokit Bar & Grill, 3700 N. Clark St. All association members, especially those who live in small, self-managed associations are invited. RSVP to Rick Cummings, acting executive director of the Central Lakeview Merchants Association, at 773-665-2100.