



Inside this issue:

2015 Elite Awards Nominees

2015 Elite Awards Nominees 1

Calendar of Events and Office Closings 1

How to cut back and save on HOA expenses 2

Assessments as Important as Mortgages and Taxes 2

When Foreclosure is the Final Option 3

**It is that time again!**

We want you to share what you have accomplished this year and acknowledge the volunteers in your community.

Elite Management has the opportunity to work with so many exceptional communities. We believe that Board Members and communities should be awarded for all of their hard work and enthusiasm. There are three very special annual awards that will be presented at the upcoming Fall Festival on September 29, 2015. The awards will be

presented to the two communities that illustrate outstanding community progress and to the individual who has shown remarkable volunteerism throughout the past year. Board members are asked

to complete our survey of questions nominating their Community or Volunteer for extraordinary performance, selflessness, and achievement. Please visit the following link in order to complete this survey:

**Community of the Year Award Survey Link**

<https://www.surveymonkey.com/r/DDNZVFZ>

[r/DDNZVFZ](https://www.surveymonkey.com/r/DDNZVFZ)

**Volunteer of the Year**

Award Survey Link

<https://www.surveymonkey.com/r/D2VCNSC>

**Please complete these surveys by: September 11th, 2015.**



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Calendar of Events and Office Closings

**SEPTEMBER**

September 7th– Labor Day  
All Offices Closed

September 29th–  
**2015 Fall Festival**

**OCTOBER**

**Board Education Seminar** October 27th—6:00-8:00 PM at Elite Management Professionals

Come join us to review the important role of serving on the Board, how to review the financial statements, governing documents and review your community websites. Please contact Dawn Hatcher to register.

**NOVEMBER**

November 26th and 27th– Thanksgiving Holiday All Offices Closed

**DECEMBER**

December 8th– Holiday Open House

December 24th and 25th– Christmas Holiday All Offices Closed

**JANUARY 2016**

January 1st– New Year’s Day All Offices Closed

## How to Cut Back and Save on HOA Expenses



Homeowners associations spend a lot of money to keep the neighborhood looking great. However, there are many ways to save on HOA expenses without sacrificing the beauty and quality of the community. Check out these five tips to cut back and save money.

### Review Vendor Contracts

Vendor contracts are the first things to check when you're trying to save money, especially if they haven't been renegotiated in a long time. If your contracts are old, and your community has been a good customer, the vendors may be willing to renegotiate the contract and charge you a reduced amount. You might have to agree to a longer contract, but that just means the price won't increase during that time.

### Check the Reserves

A portion of the assessments and dues is set aside as a reserve fund. This fund is like an emergency backup for sudden and unexpected expenses. However, if the neighborhood doesn't have any unexpected expenses, the money can just sit and build. Check how much reserve money the HOA has col-

lected and determine if any of it can be used for some of the necessary repairs the neighborhood needs. Make sure to check with the HOA's governing documents to determine what you can use the reserve funds to fix.

### Perform Service Audits

It's easy to start wasting resources, especially water and electricity. If your neighborhood has common areas, and the HOA pays for the upkeep, consider having service audits performed. A skilled electrician and plumber can determine if something is wasting power/water. They can also advise you on how to improve energy efficiency.

### Team Up With Other Neighborhoods

If you're surrounded by other communities who use the same services or products as your neighborhood, consider sharing the cost. Much like buying groceries in bulk, if you team up with other communities, you may be able to pay less for common items, such as pool supplies, recycling, maintenance and janitorial supplies.

### Get the Community Involved

Lastly, try to get the residents involved in some areas of community beautification. If a shared area is in need of a good coat of paint, don't immediately hire a painter. Try to get volunteers from the neighborhood to give their time to get the job done. Not everyone will want to, but there will be some residents who don't mind rolling up their sleeves to make their neighborhood look better.

Nobody likes to waste money, and your HOA is no different. Luckily, these five tips are a great way to reduce spending, so you can keep your community looking great and residents happy.



## Assessments as Important as Mortgages and Taxes



When you sit down to pay your bills each month, do you consider your association assessment a low priority? If so, think again.

According to the National Consumer Law Center's (NCLC) *Guide to Surviving Debt*, "Condo fees...should be considered a high priority." In fact, NCLC considers community association assessments in the same category as mortgage payments and real

estate taxes—a category ranked second only to feeding your family—according to the *Guide's* "Sixteen Rules about Which Debts to Pay First."

Assessments pay for services like building maintenance, show removal, and cleaning that you would pay no matter where you lived—either as direct out-of-pocket expenses or indirectly in a higher rent payment. But the

association has collective buying power, so when all services and utilities for everyone in the community are passed along to you as a monthly assessment, you're actually getting a bargain.

So, next time you get out your checkbook, remember to put your assessment near the top of that stack of bills. You'll be glad you did.

## *When Foreclosure is the Final Option*

Countless Americans face foreclosure when their lending institutions are unable to collect mortgage payments. In an ideal world, no one would ever face foreclosure—for any reason. But that world does not exist. Banks and other lenders foreclose on homes when owners default on their loans. Although relatively rare, association-initiated foreclosures are occasionally required to recover delinquent assessments.

It's important to remember that homeowners choose where to live, and by choosing to live in a community with an Association, they accept a legal responsibility to abide by established policies and meet their financial obligations to the association and their neighbors.

### **Association budgets**

Associations rely largely—many exclusively—on homeowner assessments to pay their bills, which can include landscaping, garbage pickup, pools, street lighting and insurance. For condominiums and cooperatives, these costs include building maintenance, utilities and amenities enjoyed by all residents.

You trust your board to develop realistic annual budgets. The Board bases their assumptions on careful cost projections and anti-

pated income primarily from assessments. Budgetary obligations do not change when some owners don't pay their fair share. Common grounds still must be maintained. Garbage must be collected. Utilities and insurance premiums must be paid.

When homeowners are delinquent, their neighbors must make up the difference or services and amenities must be curtailed. The former is an issue of fairness; the latter can lessen the appeal of the community and erode property values.

### **Liens and foreclosures**

When an owner fails to respond to repeated attempts to collect the debt, the association can be left with little choice but to place a lien on the property. The magnitude of this decision requires an approach that is fair, reasonable and consistent and that complies with applicable laws, practices and procedures set forth in the governing documents that guide our decision-making.

Homeowners facing foreclosure deserve a reasonable opportunity to appeal to the leaders of the association. Knowing that people occasionally face financial hardship—a lost job, for instance—Boards will try to work with homeowners to bring their accounts up to date.

Nobody wants to foreclose on a home—not a mortgage banker and certainly not an association. However, the threat of foreclosure is often the only tangible leverage an association has to ensure fairness and shared responsibility. Without this option, many residents would simply choose to default on their obliga-



tion to their association and neighbors. How many Americans would pay their taxes if government had no means of enforcement?

With each additional delinquency, an association's financial position can become increasingly precarious, a situation that is exacerbated in a depressed housing and economic climate.

Placing a lien on property, with the ability to foreclose, is typically enough to get delinquent residents to meet their financial obligations to the community—without removing the owner from his or her home. When that fails, associations turn to the final—and unfortunate—option of foreclosure.

Boards should understand the magnitude of this decision and why it may occasionally be necessary.

Above all else, association leaders are responsible for sustaining the financial viability and stability of the association. As noted earlier, the budgetary obligations do not change when assessments aren't paid. Services residents expect must be provided; the community must be maintained; bills must be paid; and investments and property values must be protected.

