

# NEW MEXICO CHAPTER NEWSLETTER

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## ***Experience Matters: The Benefits of Professional versus Self Management***

In these days of high stress and uncertainty, helping hands are always welcome. For association boards, that help can come in the form of the expertise and experience offered by a professional manager. Having a seasoned pro at the helm during this current economic storm can bring a sense of direction and calm to unit owners and to the volunteer board members whose duty it is to steer their collective community safely through rough waters.

Today more than ever as boards face stark bottom lines and are looking for ways to cut costs, the temptation to go without professional management can be difficult to resist. Before making that leap, however, boards and residents should consider what they might lose in the process.

“Experience, expertise, resources and continuity” are among the most valuable assets that a professional management firm can bring to the table, says Edward S. Frank, AMS, CMCA, PCAM, president of Arthur Edwards, Inc. of River Vale, New Jersey. “A management firm has access to a wide variety of resources which ultimately can save a community not only dollars but improve the quality of service to the owners and residents.”

Those resources can include access to legal counsel, accounting, billing as well as the ability to reach out to other trusted consultants in fields such as engineering, landscaping, construction and more. A well-established, well-connected management firm can reduce the burdens of a board by already knowing the ins-and-outs of capital projects, of how to communicate with residents over difficult issues such as maintenance fee increases or assessments, of how to determine what budget items are necessities and what items may just feel that way and more. When the manager-board relationship clicks, it can prevent a board from having to reinvent the wheel any time a decision must be made or a project moved forward.

Continuity is another valuable asset that a professional management firm can provide, something of special importance in light of volunteer board memberships that may change and rotate on a continuous basis. That ongoing evolution means that new board members must be brought up to speed and educated on issue histories, fiduciary duties and other details that can make or break a successful board.

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## **We're on the Web**

Visit the CAI  
website at

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**Peers. Perspectives.**  
**Possibilities. Place.**

CAI's National Conference & Exposition, **April 28 - May 1, 2010** at Caesars Palace in Las Vegas.

For more information and to register, visit [www.caionline.org](http://www.caionline.org)

If you are planning to attend, please contact Kim Corcoran at [kcorcoran@cgres.com](mailto:kcorcoran@cgres.com) to organize **NM** attendees!

 Please join us on   
 Thursday, March 18th,  
 2010 at 11:30 a.m. for our

**CAI Lunch and Learn**

Hosted by Sax Insurance Agency:

**Association Insurance  
 and Liability**

*\*Please RSVP no later  
 than 3/15/10*

*Lunch is free for CAI members and \$10 for non CAI members. Please include your name, company, phone number, email address and whether you are a CAI member, along with your check or money order made payable to CAI: P.O. Box 92618, Albuquerque, NM 87199*

***We look forward to seeing you!***



**CAI New Mexico Chapter Directors**

(In alpha order)

- Kimberly Corcoran
- Taylor Haught
- Jon McCormick
- Melanie McLaughlin
- Evelyn Saavedra
- Kimberly Sequist
- Tom Simon



*"A house is made of walls and beams; a home is built with love and dreams" - Unknown*

*(Experience Matters: The Benefits of Professional versus Self Management - Continued from page 1)*

“Continuity brings stabilization to a community and will save associations money and time, thereby allowing community governors to remain focused on moving a community toward achieving goals and objectives rather than trying to re-invent the process,” Frank says.

Professional management firms also can help board members avoid the sorts of common mistakes that befall self-managed associations. One issue, Frank says, “is not being up to date on association governance policies, practices, industry trends and product developments.” This is where the expertise of a management firm dedicated solely to tracking those things can be extraordinarily valuable. Whereas volunteer board members may be juggling full-time careers, family demands and perhaps other volunteer duties in the community, a management firm is tasked with only one duty: knowing a condo association inside and out.

That kind of experience also provides a professional manager with the ability to help associations plan for future improvements and financial stability, says Frank. That means putting contingency plans in place, working with experts and the board together to decide which capital projects must be done now and which can be postponed, and having a suitable reserve fund in place to preserve and protect the association both physically and financially.

Managers also can help volunteer leaders “establish a medium of balance between the policy makers and the policy enforcers,” Frank says. It can be difficult enough simply tackling the tough problems for a volunteer board without having to worry about neighbors and friends accosting them in the hallways about cracked pavement in the parking lot or a plumbing issue in the clubhouse. With a professional management firm in place, residents and unit owners have someone they can turn to in order to ask questions, make requests or just vent their feelings, all while leaving the volunteers to their task of making the decisions necessary to run a successful community.

So while it may seem that shedding the management fee might be good for the bottom line and might save a dollar or two here and there, in the long run, it can actually be far more costly than expected. “Boards should consider relying on management’s expertise even more when times are tough,” Frank says. “Management has the resources to be creative and innovative with new ideas and concepts that have been developed through years of experience and expertise and may ultimately benefit a community association.”

Every management company wants their properties to succeed just as every board wants its community to flourish. If boards and managers can remember that they are in it together, then everyone – especially residents -- will come out on top.

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*“One generation  
plants the trees;  
another gets the  
shade.”*

*- Chinese Proverb*

## M-100 Course available in Albuquerque!

August 5 - 6, 2010  
8:30 am. - 5:30 pm  
and August 7, 2010 from  
8:30 am. - 12:00 pm  
at the Courtyard Marriott  
Journal Center located at  
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Advanced Registration is Required:

Call CAI Direct at (888) 224-4321  
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## DID YOU KNOW?

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conducted by the  
Foundation for  
Community Association  
Research found that  
managers who obtained  
CAI's Professional  
Community Association  
Manager® (PCAM)  
designation earned, on  
average, 40% more than  
those with no designation.*



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