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## Bidding Process: Simplification Tips for Homeowners Associations

Some community associations simply call three companies, get three proposals and quotes, and go with the lowest bidder. That sounds easy, but buyer beware – there is much more to the bidding process than many board members realize. For example, sometimes when you choose a vendor simply by the lowest price, you get exactly what you pay for. Of course, reasonable fees are important, but there are many other considerations your association should weigh before making a selection, for example experience, qualifications, certifications, reputation, communication – and that's just for starters.

"For many associations, the bidding process can become complicated and turn into a huge project on its own," said Louis Pincus, Vice President, FirstService Residential in Florida. "And all too often, even after going through many steps to find a qualified vendor, the results may not be what they hoped for, and may even create other issues."

So what's answer? Streamlining the vendor selection and bidding process. By standardizing your procedure and focusing on what's important, you can reduce hassles and increase your chances of getting better results. How do you simplify this complex process? If your community is professionally managed, ask your manager for guidance and support. To help get you started, here are five proven guidelines from the pros:

### **1. Invite the right companies to bid.**

Different contractors offer different types of services, which can make the selection process even more complicated. Take construction companies, for example. Some offer comprehensive design/build services, while others only offer design – and if you go that route, you'd have to hire a building contractor as well.

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# Bidding Process: Simplification Tips for Homeowners Associations

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Another option is to select a construction manager as your direct vendor, who would then be responsible for putting together a team. No matter which option you choose, be sure all your bidders submit proposals that include the same scope of work. If one prospective vendor is bidding on design only, it's going to be difficult to compare that proposal with a design/build package submitted by another company. An experienced and knowledgeable community manager will be able to guide you accordingly.

## **2. Come on over.**

It's important to make sure each of your prospective vendors visits your community and sees exactly what you need. Schedule individual walk-throughs with your community association manager and each contractor. That way, prospective vendors can ask questions that may affect the scope of work – and you can ask them questions as well. A site tour is also an opportunity to get to know your candidates a little bit better and see what kind of rapport develops.

## **3. Get your docs in a row.**

When soliciting bids, it's important to request certain documents from your prospective vendors – and be sure to obtain the same documents from all of them so you can compare and evaluate. What should you ask for? A list of the company's qualifications, prior experience, past projects, lists of subcontractors (if any), and applicable certifications. Do your due diligence – double-check your companies for licensing, bonding and insurance, ask for references *and call them*. And don't forget to check online, including social media sites, for any complaints from previous clients (but be sure these are legitimate complaints from actual customers). An experienced community management team can offer guidance on the proper documentation and fact-checking you will need at every phase to ensure there are no risks or liability.

## **4. Focus on more than price.**

We can't say this enough. Once you have all your bids in hand, you may feel that choosing the lowest-price option is the way to go. While your commitment to financial stewardship is certainly admirable, don't award the contract just yet. You'll want to assess each vendor company based on the value it brings – its fees compared to what it offers. Sometimes it's worth it to pay a little more to work with a quality company that offers benefits you can't put a price tag on, like relevant experience or a great reputation. Besides, you may find that instead of asking, "how much will it cost?," it may be better to ask, "how long will it take?" or "will it be done right?"

## **5. Ask for help.**

The bidding process can be overwhelming, so it may be worthwhile to seek assistance. Technology can help, and a simple web search will turn up multiple bid comparison applications and software that can automate much or all of the bidding process. You may also find that your management company can provide you with much-needed guidance and insight and save you time and frustration. Community managers can ask the right questions, consult with the right prospects, and move the process forward quickly and effectively while you focus on other association business.

Navigating the vendor selection process is the necessary first step to getting things done in your community, but sometimes, it can take on a life of its own. But by following these helpful steps, you can streamline and simplify the bidding process and connect with the best contractor to fit your needs – and that goes a long way towards getting the job done right. For more helpful tips on simplifying the vendor selection process, contact FirstService Residential.





## Halloween Safety

The pumpkins are carved, the ghosts are hanging in the trees and the children are ready to hit the streets to see who can collect the most candy! While this is a very fun and exciting time for children it can be a bit nerve wracking for parents.

*Here are a few sure-fire tips for a fun and stress-free night of trick or treating:*

- Serve a hearty meal before heading out to trick or treat so the children won't be tempted to sneak treats along the way.
- Put reflective tape on the front and back of your child's costume to ensure drivers more easily see your child. Glow sticks, glow bracelets and glow necklaces are another fun and inexpensive way to keep your child visible.
- Face masks are fun but prevent parents from being able to see their child's face, use nontoxic face paint instead. Have your kids draw on a piece of paper what they would like painted on their face, then recreate their creation on their face.
- Just in case you and your child get separated, place a name tag with your phone number on it somewhere on your child's costume so whomever finds your child is able to contact you.
- If you have an older child that is trick-or-treating with friends, make sure you agree on a time they will be home and have them carry a cell phone if possible.
- Once home, inspect all candy to ensure what is kept is in sealed wrappers and safe for children to eat.
- Many dentist offices will "buy back" candy as donations to send to our troops overseas.

With a little planning you and your children are sure to have a hauntingly safe and happy Halloween!





# The Strategic Community Plan - A Road Map for the Future

By Kirk Kowieski | Vice President

## What is a Strategic Community Plan?

A Strategic Community Plan is intended to provide unified direction and purpose for the organization to the board and staff. Generally a Strategic Community Plan (SCP) for a community association is a “big picture” view, projecting a long range plan into the future. It is a document specifically designed to identify strategic goals for the entire organization and it will outline strategies and action plans to achieve those goals.

The size, dynamics, complexity, desires and needs of a community will determine how detailed and involved a Strategic Community Plan will be. Some communities may have the need and choose to develop and facilitate the entire plan as outlined below; others may feel the need to only create The Vision and a few goals. We recommend that every community utilize a SCP in one form or another.

## Benefits of having a Strategic Community Plan

1. The SCP's direction is intended to remain consistent, surviving annual changes in the board and periodic changes in key staff positions.
2. Consistency provided by the SCP will supersede and

override most “personal agendas” within the board and staff.

3. It provides a basis for daily decision making.
4. It unifies staff and bonds various departments together to work towards the same objectives.
5. It provides information to the membership as to what should be expected in the future and eliminates many unwelcome surprises.
6. The SCP will help an association in being prepared, strategically and financially, to meet its obligations and fiduciary responsibilities in the future.

## To be included in Strategic Community Plan

1. Information on the development, demographics and evolution of the community.
2. Results of relevant surveys.
3. Visionary thinking.





### **Components to be incorporated into the Strategic Community Plan**

1. The Vision – how the board wants the community to be seen in ten years; this will be the result of effective implementation of the SCP's strategies.
2. The Mission – how to proceed to reach The Vision; it is the basic purpose of the association's existence.
3. Goals – the long-term organizational targets which make up the main body of the SCP.
4. Objectives – measurable milestones that will be met on the way to achieving a goal.
5. Strategy – the means by which it intended to accomplish a goal or objective.

### **Strategic Community Plan Involvement**

In theory, the Strategic Community Plan evolves from the membership to be reflective of the greatest good for the greatest number of members (i.e. via survey results). However, the board has been elected by those members, to represent the interests of the community association as a whole, and has a responsibility to temper the collective desires of the individual members with sound business judgment as to what is best for the organization itself. As with other aspects of good management, the board has the responsibility to generate a Strategic Community Plan for the organization. Along with the Board of Directors, other involvement may

include:

- The SCP task force – based on the desires of the board, a task force may be created to perform most of the work.
- A facilitator – coordinates the process and sits at the table with the board to guide the discussion, maintain focus, and challenge the group.
- Members At Large – represent the community and are present to listen carefully and provide feedback and opinions when asked.

### **Implementation of the Strategic Community Plan**

Once the final draft of the SCP has been approved by the board, it needs to be woven into the fabric of the culture of the organization and referred to as often as possible in order to keep it fresh in the minds of the membership. Examples of this may include:

- Bound copies of the entire plan provided to board members and key staff;
- Emailed to membership;
- Posting SCP on community website;
- Utilizing the Vision and Mission as a header on the community website;
- Reading of the Vision and Mission at the start of board meetings;
- Incorporating Vision and Mission into all hard-copy documents distributed by association (billing statements, agendas at meetings, letterhead)

It is then the responsibility of the Community Manager (or

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# Welcome to the FirstService Family!

## **The Scottsdale Peak Condominium Owners Association, Inc.**

Scottsdale Peak Condos, premier commercial space located in north Scottsdale, offers its owners majestic views of the McDowell Mountains and boasts a very modern stone, glass, and metal design. This building space is ideal for medical and office professionals.

## **Casa Granada Townhouses Corp.**

The Casa Granada Townhouses community is located near Old Town Scottsdale. These large two-story townhomes are family friendly with private streets, a tot lot, a two-story clubhouse, and pool area.

## **Breckenridge Townhomes Homeowners Association**

The Breckenridge Townhomes community is located in Gilbert near Guadalupe Road & Gilbert Road. This quiet community offers its residents large green spaces, a pool and private streets.

## **Fountain of the Sun Homeowners Association**

Fountain of the Sun Homeowners Association is a premier active adult community in East Mesa. With 1,492 single family homes, several parks, a golf course, swimming pool and many other desirable amenities, FOSHA is home to both full time residents as well as winter visitors. The community is very active as evidenced by the full schedule of year-round activities, many of which are sponsored by the community's 30+ groups and clubs.

# Help keep FirstService Residential #1



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*The Best of Arizona Business*  
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## Updates for Budgets/Resales & Disclosures

At FirstService Residential Arizona, we have multiple teams of people that work alongside your community manager in order to provide the best customer service possible. We take great pride in being able to assist not only our community managers, but your homeowners as well. When current owners or new prospective purchasers have questions with regard to their association billing accounts or they are purchasing or selling their property, they will work with the Accounts Receivable department and the Resale/Disclosure department. We know how important these areas are and have developed teams that have both integrity and a depth of knowledge to serve our clients. Here are two very informative and important notes from these departments.

### **Accounts Receivable Department**

With budget season upon us, it's time for the Board of Directors and their community managers to determine if the assessment revenue will cover the subsequent year's expenses. For those communities that require an increase to their HOA assessments, it's important to remember that each homeowner needs to be sent notification of the upcoming 2016 budget and annual assessment adjustments no later than 30 days before the assessment(s) become due. Per Arizona State Statute A.R.S. § 33-1803(A), the association shall not impose a regular assessment that is more than 20% greater than the immediately preceding fiscal year's assessment without the approval of the majority of the members of the association unless limitation is noted in the community documents that would result in a lower limit for the increase of the assessment.

Homeowner communication is very important during this time. Communicate in a clear, concise manner and explain what their responsibilities/assessments include. Frequent communication leading up to the 2016 new year is also recommended. Be sure to include new assessment amounts, one time assessments/special assessments and any additional billings such as insurance etc. If homeowners are enrolled in Paylease or a personal bank bill-pay program, it is important for them to understand that it is their personal responsibility to update the payment amount accordingly.

Homeowners should recognize that not paying their assessment can be compared to not paying another bill, such as a utility bill, credit card or mortgage payment.

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# 2015 FirstService Residential Arizona CONFERENCE & EXPOSITION

Connecting **Local** Communities With **Local** Resources

At FirstService Residential, we're very proud to be part of an industry that positively impacts the lives of so many Arizona residents. That is why we created our annual Conference & Exposition. By bringing the industry's best and brightest together, we can do even more to enhance the lives of our residents and our valued partners.



**When:** October 23, 2015

**Where:** Thunderbird School of Global Management  
1 Global Place  
Glendale, AZ 85306

<b>Time:</b>	12:00 PM	Open Registration Begins
	12:00 - 6:00 PM	Exhibitor Hall Open
	6:00 - 8:00 PM	Cocktail Hour

**We are shaking things up this year! Our guests can look forward to:**

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by calling Heidi Hallquist at 480.551.4213**



# Updates for Budgets/Resales & Disclosures

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The Board of Directors has approved a collection policy that outlines the process for the collection of delinquent assessments as defined by the communities' CC&R's. If the owner fails to remit payment, the Board of Directors can seek legal action and/or place a lien on the property to recover all unpaid assessments. Additionally, the homeowner will be responsible for all legal costs incurred while attempting to recover the unpaid assessments. It is important for a homeowner to contact FirstService Residential if they are unable to pay their assessments in full. FirstService Residential will communicate with the Board of Directors and community manager to work with the homeowner in order to collect any outstanding assessments. It is our goal to provide assistance to our board members, homeowners and community managers to ensure payments are properly collected without placing additional burden and costs.

## **Resale/Disclosure Department**

On February 2, 2015, The Arizona Association of REALTORS instituted The HOA Condominium/Planned Community Addendum that is required to be completed for any transaction that involves a homeowners association.

This new HOA Addendum is to be initiated by the seller at the time of listing their home. The homeowner will be responsible for providing information on the HOA, and the fees payable upon close of escrow. The intent of the new HOA Addendum (and process) is to provide this important information to enable the buyer the ability to make an informed decision regarding which party will pay which of the HOA related fees in a transaction.

The new HOA Addendum, and process, is intended to disclose all HOA related fees up front and establish which party will be responsible for paying those fees, in order to avoid any last minute surprises at closing that may place the transaction in jeopardy.

Being informed about up-to-date rules, fees and legal regulations is important to all owners/buyers for properties that reside within an association. Prior to the HOA Condominium/Planned Community Addendum creation, home buyers were shocked to find out about any fees due at the close of escrow as well as actual assessment fee pricing based on multiple incorrect entries noted on the MLS information.

With the questions and concerns from our client's realtors who were trying to fill out the new addendum, we made a company-wide decision to adjust our Resale/Disclosure fees to be more helpful. On June 1, 2015, FirstService Residential split our Standard Resale/Disclosure Fee of \$400.00 into 2 separate charges (Transfer and Disclosure) to be in line with the questions on the Addendum, while still maintaining our legal aggregate of \$400.00. From October 1, 2011 through May 30, 2015 we used a combined fee charge of \$400.00 that included the transfer, disclosure and any shipping costs associated with a specific closing so that we would be compliant with the new Arizona State Statute that was put into place on January 1, 2012. But as of June 1, 2015, First Service Residential went back to splitting the fee into a Transfer Fee and a Disclosure Fee without adding any shipping costs. This split keeps us compliant with Arizona State Statutes (33-1806 and 33-1260) of an aggregate of \$400.00 per each open escrow and to be paid at the close of escrow.

The FirstService Residential Resale/Disclosure team is always happy to help our clients in any way that we can. We are very proud to be helpful with our new change and we are always here to help with answering any/all questions with regard to the purchase or sale of your home in one of the communities respectfully managed by First Service Residential.







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GM, ED, etc.) to implement the strategies outlined in the plan by effective use of the employees and/or contractors. The SCP also becomes one of the vital tools used in preparing the annual budget. The community manager is typically directed to make either monthly (via management report) or quarterly reports to the board on progress towards achieving the goals and objectives of the SCP.

It is also recommended that the entire SCP be generally reviewed annually and thoroughly reviewed every three to five years to remove completed goals and to add new ones as appropriate. This keeps the SCP a vital document and the organization always moving forward.

Having developed and implemented a Strategic Community Plan, your community will be well on its way to becoming a well-oiled machine that meets the needs of the owners and other stakeholders in the community. Depending on the size and complexity of your community, a modest investment in strategic

planning can return large dividends in the form of satisfied owners and higher property values. If you are interested in developing a Strategic Community Plan for your association, please let your community manager know.

# Slow-Cooker Pumpkin Bread Pudding Recipe

**MAKES:** 10 servings

## INGREDIENTS:

5 cups day-old French bread, cut into 1-inch cubes	
5 eggs	2 teaspoons vanilla extract
3/4 cup pumpkin puree	1 cup light brown sugar
1 teaspoon salt	1/4 cup melted butter
1 tablespoon pumpkin-pie spice	1 3/4 cup milk

## CINNAMON-VANILLA SAUCE:

1/2 cup butter	1 cup brown sugar
2 tablespoons corn syrup	1/2 cup heavy cream
2 teaspoons vanilla extract	

## DIRECTIONS:

1. Place cubed French bread into a large (6-quart) slow cooker.
2. In a bowl, whisk eggs, pumpkin, vanilla, brown sugar, salt, pumpkin pie spice, melted butter and milk until well combined.
3. Pour mixture over bread cubes and toss well to coat.
4. Cover and cook on low 4 to 5 hours.

## FOR THE SAUCE:

1. In a medium saucepan, combine butter, brown sugar, corn syrup and heavy cream.
2. Cook over medium heat, stirring frequently, until mixture comes to a boil and thickens slightly.
3. Remove from heat and stir in vanilla extract.

Serve bread pudding warm, topped with cinnamon-vanilla sauce.







# A Change in Season

By Bob Cardoza | Regional President, West,  
FirstService Residential California

The change in season from summer to autumn is a very special time for Arizona residents. The harsh summer months start to fade into a much softer warmth followed shortly by some of the best weather in the United States. The plants and people who have been hibernating begin to emerge and the entire state seems to come alive. Families start to plan outdoor activities like BBQ's, community football games, hikes and much more. It is hands down every Arizona resident's favorite time of year!

At times, companies also go through a change in season, a time when directives shift and the company needs to move in a new direction. Much like the change from summer to autumn, it's a time of growth and renewal, something that brings about positive change.

FirstService Residential Arizona recently announced a change in leadership and welcomed John Kemper as the new President of the company. John comes to FirstService from the staffing industry where he enjoyed over two decades of successfully leading teams to prosperity. John's employee centered approach to management and his long standing record of creating environments that nurture collaboration embodies the core values we hold dear at FirstService Residential.

John was raised in Arizona and received his Bachelor of Science degree in Business Administration and Management from Arizona State University. He currently enjoys spending time with his wife and three children, traveling, spending time out on the lake and off-roading. John also serves the community by sitting on the Board of Directors for The Boys and Girls Club of Metropolitan Phoenix and coaching Pop Warner football.

We warmly welcome John to our FirstService Residential family!







**FirstService**  
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## Connecting with FirstService Residential

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### Tucson Office

8375 N. Oracle Rd., Suite 150  
Tucson, Arizona 85704  
Phone: (520) 219-4520  
Fax: (520) 219-4711

### Office Hours

Monday - Friday  
8:00 a.m. - 5:00 p.m.  
Excluding Holidays

### Executive Team

John Kemper  
*President*

Andrew Way  
*Senior Vice President,  
Southern Arizona*

Any Ferrell  
*Vice President*

Michael Kuzmin  
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Kirk J. Kowieski  
*Vice President*

Pam Rottner  
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