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Creating an Association Infrastructure

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Importance of Infrastructure

What are your community's goals?

How do you want your community to be viewed by owners and potential owners?

What would happen if your current board disappeared tomorrow?



Legal Requirements

First step is:

understanding the Association's power and responsibility under the governing documents and the state laws.



Association's Powers and Responsibilities

Enforcement of Association governing documents and rules

Budgeting

Assessments/Fines

Contracting/Selecting Vendors

Maintenance and Repair

Reserve Studies



Identifying Areas to Change

- Provisions that need clarification
- Provisions that aren't consistently enforced
- Provisions with no process to implement or enforce



Rule Making & Amendments

- **Rule/Resolution Making:** Board approval and notice to owners
- **Declaration Amendments:** Approval of 75% of owners. Real Estate Commissioner
- **Bylaw Amendments:** Approval of majority of owners



Record-Keeping Requirements

Statutory Requirements:

ORS 65.771 Nonprofit Corporations Act

ORS 100.480 Condominium Act

ORS 94.670 Planned Community Act

(See handout)

Practical Considerations for Record-Keeping

Location of Documents (copies)

Form of Records (electronic)

Records Custodian

Owner's Right to Inspect



Role of Management

Management companies have their own infrastructure and typically have procedures for:

Maintenance

Budgets and Finances

Governance

Management's Role

Help develop a policy structure for the Association.

Be a leadership guide for the Board.

Be a source of guidance for adapting to change (sometimes things come at us “from the side”).

Tips for developing an infrastructure

Creating a policy

“Agenda-driven” board members

Staggered board terms (to keep consistency)

A balanced sense of needs

Infrastructure Concepts

By David T. Schwindt, CPA RS PRA



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David T. Schwindt

- David T. Schwindt, CPA, a native Oregonian, has over twenty five years experience in public and private accounting including employment with the Portland, Oregon and Denver, Colorado, offices of KPMG Peat Marwick. Mr. Schwindt's tenure was spent primarily in the Private Business Advisory Services Department providing auditing, accounting, tax, and management consulting services for businesses as well as tax compliance and planning for individuals.
- Mr. Schwindt is a graduate of Western Oregon University where he received a Bachelor of Science Degree. He is a Certified Public Accountant in the State of Oregon, Washington, California and Arizona and is a member of the Oregon Society of Certified Public Accountants and the American Institute of Certified Public Accountants. He is a Certified Reserve Specialist – RS, licensed by Community Associations Institute and a Professional Reserve Analyst – PRA, licensed by the Association of Professional Reserve Analysts. He is a past director for Centennial National Bank and Columbine Valley Bank and Trust, Denver, Colorado and member of OWCAM and Oregon CAI LAC. Mr. Schwindt is past President of the Oregon Chapter of Community Associations Institute and was instrumental in organizing the Central Oregon Regional Council.
- Mr. Schwindt specializes in providing accounting, tax and reserve services to Homeowner Associations and currently services over 500 Associations in the Pacific Northwest

What is the mission of CAI?

CAI provides information and education to community associations and the professionals who support them. Our mission is to inspire professionalism, effective leadership and responsible citizenship.



**What are the important attributes
of successful Associations?**



- **Educated Board Members**
- **Strong Leadership**
- **Effective Values (Professionalism & Citizenship)**

To maintain a consistent level of
success, what is needed?



Educated Leaders



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Is it realistic to expect every Board member to be an education leader?



Consistency

- Year 1 – Great Board
- Year 4 – New Board not so great



The McDonald's Experience



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**What insures that you will have
the same dining experience every
time at McDonald's?**



- Leadership?
- Education?

SYSTEMS
(infrastructure)

**How do we insure that
Associations have a consistent
level of success?**



- **Education/resources**
- **Leadership Training**
- **Adherence to documented policies and procedures**



Policies, Procedures & Operations Manual



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- **History**
- **Values**
- **How we communicate**
- **How we solve problems**
- **How we work together**
- **How we play together**



Our Goal:

- To insure that every member has a consistent successful experience with the community and the Association.



We accomplish this through:

- Education/resources
- Leadership training
- Documented systems/Policies, Procedures and Operations Manual consistently followed and changed only with board approval

