



COMMUNITY BUILDER

Consideration for Community Leadership in 2021

It is wonderful how a new year brings so much excitement. 2021 may bring more anticipation than any year in recent memory. We are all ready to look forward and put a tough year behind us. Before we fully jump into 2021, I want to take one more moment to thank the many volunteer Board members that serve their community. Please take a moment to pat yourself on the back for going above and beyond anything we could have imagined at the onset of the year.



Our team thought we would try something new for our articles in 2021 and enhance them through a discussion with the author or a subject matter expert. Toward that effort, I had a conversation with Gregg Hale, SVP Acquisitions and Training for Sentry Management. Our discussion focused on several issues to which Board Members should pay particular attention as we exit 2020 and enter 2021. Four topics came up during that conversation that relates to challenges communities may face during the coming year. Those topics are explained further in this article. I hope you will take a moment to listen to our Podcast and provide feedback about what you may like to hear in the future. (listen [HERE](#)).

We all endured several changes in 2020, including how we work, educate, shop and play. As you will note, all four topics below may bring continued change in 2021. The best and most effective policy for successful change management is communication. Keep an open line of communication with owners in your community. Boards should be as transparent as possible regarding the reasons specific policies may be undertaken or continued. Letting everyone know what is happening, and why it is happening will reduce much of the anxiety and friction that occurred in 2020.

The below topics are certainly not all-encompassing of the many challenges that can and likely will arise during the year. Board Members who take the time now to consider how the challenges of the existing and future circumstances will affect their association will be much better prepared than those who do not. With guidance from experts, there is no doubt that volunteer Community Leaders can truly embrace that which is coming and emerge more successful than ever.

Flexibility is key

On a regular basis, we are continually required to manage associations differently based on the most recent realities of COVID-19. At a minimum, the first half of 2021 will continue to demand flexibility in how we manage people and facilities as a result of the virus. Thus, one of the best strategies a Board of Directors can employ is communicating the need for flexibility and patience with ongoing changes.

Pretty soon, there will be new administrations at many levels of government – federal, state, and local. In addition, the number of new COVID-19 cases continues to be high. As a result, watch closely for new legislative initiatives and local protective ordinances. Possible effects could include new levels of lockdown, restrictions on amenities, laws prohibiting certain collection activities, and more. These changes will undoubtedly play a role in how Community Leaders will operate the associations they oversee. Further, portions of our population are getting the COVID-19 vaccine. As the year progresses, and the percentage of the population who have been inoculated grows, we will see an ease in federal, state, and local orders. As that happens, communities may change protocols and policies during the course of the year.

Amenities – is there a right decision?

In 2020, most community leaders were faced with making difficult decisions regarding whether to open community amenities. Some Boards determined, with guidance from legal counsel, that certain protections could be engaged – like waivers, attendants, and increased sanitation protocols – to open amenities safely. Others chose to leave amenities closed due to the uncertainty of liability exposure and exorbitant costs for extra services.

Regardless of what the association chose to do last year, know that similar decisions will need to be made again this year. The first step to making any decision regarding the opening of amenities is to seek the counsel of the association's attorney and insurance agent. These experts can provide guidance to the Board so that the difficult decisions are made on the basis of being fully informed and current on information available.

Cash flow and collections

The pandemic has impacted the economy and resulted in many lost jobs. Subsequently, the ability of many individuals to pay for basic obligations has become more difficult. Homeowners have seen no exception to the impact of major job losses in many sectors. While most associations have not yet seen a major financial impact or uptick in delinquencies, the general guidance is to be extra cautious when it comes to cash flow and unplanned spending.

As the year begins, every Board should review the current policies on file for assessment management and collections efforts, specifically policies surrounding late notices and penalties, payment plans, and collection actions. All of these procedures need to be clearly documented in the policies of the association. Again, working with the Community Manager and the association's attorney will be necessary to ensure the association complies with the governing documents and any state/federal protective legislation. Once the review is done, make sure any changes/updates/expectations are formally adopted and communicated to the homeowners.

With updated policies in place, the Board must keep a close eye on the delinquency rate. If the rate exceeds 5% or is growing at a steady pace month to month, it may be time for action to protect the association against possible cash flow issues.

Virtual meetings – a revolution in association meetings

As a result of the COVID-19 pandemic, most of the country quickly became educated with the use of online meeting platforms. Among the most popular are Zoom, Webex, GoToMeeting, Teams, and Skype. Initially, the meetings needing to be held virtually were viewed as a major detriment to the association's continued operation. As virtual meetings became the 'new normal', much of the feedback was positive and upbeat.

Board Members across the country have reported that online meetings are better attended and more efficient than traditional in-person meetings. Similarly, community managers have reported experiencing a better work/life balance which improves the time and energy they have to dedicate to their partner communities.

This change to the way business is done for associations is overwhelmingly positive and many Boards are choosing to continue holding virtual meetings even after the pandemic. Boards are finding ways to incorporate presentations, guest speakers, and homeowner forums in a way that was previously cumbersome and unachievable. Community leaders should consider how they can make effective use of virtual meetings at both the Board and membership level.

Again, thanks for all the work you do, and we wish you the best in 2021!

The information contained in this article is provided for informational purposes only and should not be construed as legal advice. No recipient of this content should act or refrain from acting without seeking the appropriate legal or other professional advice.



Bradley Pomp
President, Sentry Management, Inc.

Bradley Pomp became President of Sentry Management in 2016. He is responsible for all aspects of the company, including operations as well as the financial and accounting affairs. Prior to joining Sentry in 2007, he headed Defense Litigation Group focusing on insurance matters and liability assessment for large corporations. Brad also held responsible Business Management and National Accounts responsibilities with MCI Telecommunications, United Healthcare Group and Darden Restaurants.



The Community Builder is a newsletter prepared exclusively for Board Members of associations managed by Sentry Management. If someone on your Board is not receiving this newsletter, they can be added by entering or updating their address in the CommunityPro® PORTAL or forwarding them a copy.

