



CAI KENTUCKY PRESS

KY Chapter Highlights

Thank you to all those that attended the December holiday luncheon & annual meeting! We appreciate your continued support of the chapter. Great relationships with members, sponsors and business partners have insured the growth of this chapter and allowed us to continue to bring quality educational programming to our members. Consistent communications and updating of the website has increased interest in the chapter. Our mini tradeshow was a huge success! We had to turn a few business partners away due to limited space, but we will rectify this with next year's mini tradeshow.

NEW FOR 2019! CAI Kentucky Chapter Events will now be held at the Big Springs Country Club, 5901 Dutchmans Ln, Louisville, KY 40205. We are looking forward to the change in venue and the improved event support we will receive from the Big Springs Country Club staff.

The Board of Directors decided late 2017 to forgo the hiring of an Executive Director when Kimm Hudson resigned so as to learn all that is involved in running the chapter. We worked as a team on all facets. This has been a great hands-on experience and will help when hiring an assistant for 2019.

Membership has increased almost 23% - in part because several communities have taken advantage of the new membership dues structure that allows an entire board to join CAI for one low price of \$250!

Elections: No nominations were received. The Board has elected Teresa Langebrake to her 2nd term on the Board. We really appreciate her volunteering. She has been a great asset and helped out tremendously!

The Board is still short a board member. Per the bylaws, the chapter must maintain a certain ratio whereby no one class of members (business partners, managers or community volunteers) represents more than 50% of the Board. With 3 business partners already on the Board, we will be reaching out to managers and volunteer leaders (specifically a condominium community members) asking for them to give of their time.

Objectives for 2019:

1. Hire an administrative assistant - See page 10 for more details
2. Solicit from business sponsors more newsletter content - See sponsorship opportunities on page 10
3. Offer new educational topics taught by some fresh faces
4. Host the CAI M-100 course in Louisville during 2020
5. Expand the availability of webinars
6. Creating/implementing committees to help with programming and special events.

2019 Calendar of Events

NEW FOR 2019! CAI Kentucky Chapter Events will now be held at the Big Springs Country Club, 5901 Dutchmans Ln, Louisville, KY 40205. The events start at 11:30 am and run until 1:00pm and lunch is provided. Registration for the events is required.

January - No Programming

February 14, 2019 - Service Dogs & Emotional Support Animals

March 14, 2019 - The Role of Reserve Studies

April 11, 2019 - Almost Free Legal Advice

May - Cyber Security

June - Webinar

July 11, 2019 - Get to Know Your Business Partners (Mini Tradeshow)

August 8, 2019 - Community Association - Local, Regional & National Trends

September - Social Event (TBD)

October 12 & 19 - Board Leadership Development (2-day course)

November - No Programming

December 12, 2019 - Holiday Luncheon & Annual Meeting



BOARD MEMBER NEEDED. The Board is still short a board member. Per the bylaws, the chapter must maintain a certain ratio whereby no one class of members (business partners, managers or community volunteers) represents more than 50% of the Board. There are already 3 business partners on the Board. For that reason, we will be reaching out to managers and volunteer leaders asking for them to give of their time.

The Board is specifically looking for a member to represent the condominium communities. HOA's are well represented on the board by Allie Richardson but he can not speak to the unique challenges condominiums face.

CAI Kentucky has the need for volunteers in programming and special events.

If you have a little spare time and would be willing to roll your sleeves up and dive in to help our chapter, please contact the Board of Directors at: info@cai-ky.net

Welcome New Members!



CAI -KY is proud to announce the following new members to our Chapter. Please help us make them all feel at home.

Linda Jansing—Manager @ Owl Creek

Why CAI Membership Pays for Association Leaders

CAI is an international membership organization dedicated to building better communities by providing education and resources to the homeowner leaders who govern and the professionals who support them.



Homeowners, Board Members, and Community Leaders – **NEW DUES STRUCTURE!**

In order to empower communities to serve at their best abilities, CAI offers different membership benefits to the various types through annual dues structures. Each membership type with CAI will provide you with insider insight on the latest innovations in communities worldwide, time- and money-saving tools, and opportunities to share information and knowledge with your peers.

Pick which one you would benefit the most from!

The best community associations have the best boards – they're educated, knowledgeable, and prepared to lead their communities successfully. CAI membership provides your board members the best resources and education to stay informed. **And now you can have up to 15 board members join for only \$250*!**

**Plus a mandatory advocacy support fee (included in the pricing below) and an optional donation to the Foundation for Community Association Research. Visit <https://www.caionline.org/JoinNow> for more information.*

Directors & Officers Coverage



Association Board members are faced with many unique challenges and exposures. That is why specialized Directors and Officers (D&O) liability insurance is so important, especially because personal assets may be at risk. Board members can

be held personally liable for decisions and actions made on behalf of an association.

It is a litigious environment we are living in today, as evidenced by the rise in D&O claims at community associations across the country. Five of the top claims associations face are: breach of fiduciary duty, breach of contract, non-employment discrimination, noise, and foreclosure judgment. With such a wide range of claim situations, coverage that protects and prepares an association for multiple scenarios is critical.

Not all D&O policies are created equal or provide the necessary coverages needed to provide adequate protection. Package D&O coverages are often very restrictive.

Be sure to speak to your broker about what is covered in your D&O policy; some exclude breach of contract, discrimination, employment issues, architectural issues and other claims. Sherry Bransom, marketing manager for Kevin Davis Insurance Services provides some real-life examples of association claims and how quickly costs can spiral out of control:

Breach of Fiduciary Duty

A condominium association board was sued by a unit owner over parking spaces. The owner alleged the board breached its fiduciary duty by knowingly and willfully violating condominium bylaws by allowing parking spaces to be auctioned off, which resulted in nonowners occupying portions of the common parking garage to the exclusion of unit owners. The aggrieved owner sued the board of directors in an effort to force the association to rescind the sale of the spaces, pay for punitive damages and attorneys' fees. Defense costs totaled \$280,000.

Discrimination

A complaint was filed by a prospective buyer against a condominium association with the Department of Housing and Urban Development (HUD) alleging that his application to purchase a unit within the association was denied for discriminatory reasons. Specifically, the buyer alleged the association president discriminated against him by denying his application based on his age, national origin and familial status. The HUD commission issued a finding of probable cause. During that time, the board allowed the prospective buyer to purchase the exact unit he had initially sought. Despite this, the buyer filed a lawsuit against the association alleging discrimination and included damages representing the difference of the unit purchase price during the time of the disputed application approval process, attorney fees and compensatory and punitive damages. The parties agreed to a \$100,000 settlement; defense costs totaled \$140,000.

Breach of contract

An association and three former board members were sued by their management company for breach of contract. The management company demanded payment of money it claimed was due under the terms of the contract plus attorneys' fees. Defense costs totaled \$62,000.

Noise

An owner of a New York City cooperative filed a complaint with the city's housing court regarding noise levels coming from the building's elevator equipment. The owner argued that the noise violated permissible sound levels set forth in noise and building codes. The case was resolved after the judge put pressure on the owner to settle the case with the cooperative after stating there would be no chance to recover legal fees. Defense costs totaled \$320,000.

Foreclosure judgment

A condominium owner sued his association board after his personal property was misappropriated during the association's execution of a foreclosure judgment. The suit settled for \$175,000, including legal fees.

Continued on page 6

Business Partners

Banking

Alliance Association Bank	Teresa Langebrake	(502)939-6057	tlangebrake@allianceassociationbank.com
BB&T	Melissa Peters	(251)340-8747	mdpeters@bbandt.com
U.S. Bank	Kristopher Thomas	(800)764-7694	kristopher.thomas@usbank.com

Insurance

Logan Lavelle Hunt	Bob Detherage	(502)657-2400	bobdetherage@llhins.com
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Landscaping

Brightview Landscape Service	Ms. Lisa Nardi	(818)737-2620	lisa.nardi@brightview.com
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Legal Services

Hebel & Hornung	Richard Hornung	(502)429-9790	rich@hebelhornung.com
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Community Management

All Points Community Management	Edwin Gibson	(859)263-7681	edwin@allpointsky.com
Berkshire Hathaway Parks & Weisberg Realty	Mika Anthony Heinze	(502)459-1928	mika@bhsparkswisberg.com
CMA	Tom Richards	(859)263-8757	tom@cmaky.com
KY Realty	Ben Adams	(502)473-0003	ba@kyrealtyonline.net
Paragon Management Group	John Payne	(502)451-0485	john@paragonky.com

Reserve Specialists

DMA	Timothy Rohmoser	(804)644-6404	trohmoser@mdareserves.com
Miller Dodson	James W. Dodson	(410)268-0479	JDodson@mdareserves.com
Reserve Advisors	Jennifer Aldrich	(312)625-4958	jennifer.Aldrich@reserveadvisors.com

Restoration

Purofirst	Jill Robinson	(859)550-3194	jillARobinson8@gmail.com
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Roofing

Bone Dry Roofing	Louie Ledger	(502)425-2928	louie.leger@bonedry.com
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Security

Signal 88 Security	Patrick Johnson	(502)822-0414	pjohnson@signal88.com
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Directors & Officers Coverage *(continued from page 4)*

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It is evident that claims can result from a number of widely varied issues. The claims noted above are just a few examples of claims community associations face.

Associations should consider having an insurance agent who is well versed in D&O coverage for associations. It is virtually impossible to plan ahead for every potential loss but that is where having specialized D&O can offer peace of mind to the Board members who are so generously offering their time.

Deanna McDaniel, Owner-Agent - McDaniel Insurance Agency, LLC





Community Association Directors & Officers Quality of Management Worksheet The following are community association business practices that reflect good risk management procedures and protocol that help minimize the likelihood of claims against a board and association.

- 1. Has each board member read the association by-laws?
- 2. Has each board member read the covenant, conditions & restrictions?
- 3. Has each board member read all the association rules and regulations?
- 4. Are board members prohibited from handling issues individually outside board meetings?
- 5. Have all board members complied with Board Member Certification, if required by State?
- 6. Does the board out-source collections to a collection firm or law firm?
- 7. Does the association have an annual audit of its financials?
- 8. Does the board consult legal counsel before terminating employees, if any?
- 9. Does the board seek legal counsel before entering into a contract greater than \$5,000?
- 10. Does the board seek legal counsel before terminating a contract greater than \$5,000?
- 11. Does the board only hire managers with licenses required by the state, if any?
- 12. Does the board require that any managers hired have professional liability insurance?
- 13. Are all meetings open to all owners, except if involving litigation and personnel issues?
- 14. Does the board maintain meeting minutes approved as to form and content?
- 15. Does the board use Roberts Rules of Order or other parliamentary rules for meetings?
- 16. Does the board maintain copies of all contracts?
- 17. Does the board maintain copies of all insurance policies?
- 18. Does the board meet directly with its insurance professional at least annually?
- 19. Does the board have a reserve study?
- 20. Does the board have a written policy regarding the funding of the reserve study?
- 21. Is the association a member of the Community Association Institute ("CAI")?
- 22. Do any board members attend CAI classes or other relevant educational presentations?
- 23. Does the board have a written procedure for unit owners to share concerns?
- 24. Are board decisions issued in the name of the board and not individual board members?
- 25. Does the association use an accountant to handle the association financials?
- 26. Does at least one board member review actual bank statements each month?
- 27. If the association does not do an annual audit, does it do a Review or Compilation?
- 28. Does the board have a bidding process for contracts over a certain price?
- 29. Does the board/association have a disaster plan?
- 30. Has the board participated in board training?
- 31. Does the board have a new board member orientation program?
- 32. Does the board require certificates of insurance directly from the vendor's agent?
- 33. Does the board survey board members annually to identify association goals and priorities?
- 34. Does the board have an infrastructure plan? (Committee initiatives and goals)?
- 35. Does the board have a FAQ regarding association life that it provides to prospective buyers?
- 36. Does the board have a procedure for welcoming new residents?
- 37. Does the board have a succession plan or any idea how to groom new community leaders?
- 38. Does the board review contracts each year and meet with vendors to maximize performance?
- 39. Does the board have a written Conflict of Interest Policy in place?
- 40. Do board members sign a Community Association Board of Director's Code of Ethics Agreement?



Find the expert you need

CAI's Service Directory is a free, online platform that helps association boards, community managers and management companies find professionals who can help them meet the needs of their communities.

The directory, which can be used by CAI members and nonmembers, provides instant access to thousands of CAI member product and service providers nationwide, including association management companies, landscapers, attorneys, accountants, bankers, reserve specialists, insurance providers and technology firms among many others.

When you need help, we encourage you to consider the CAI members listed in the directory for professional services essential to you and your association. Their active involvement in CAI is an investment in the principle of common-interest communities—an investment in all of us.

Access the Service Directory at www.directory.caionline.org



Fair Debt Collection

Since assessments are fees for maintenance and use of utilities and not consumer debt, many association board members wonder if their communities are subject to the *Fair Debt Collection Practices Act (FDCPA)*. Some maybe surprised to learn most state and federal courts consider assessments to be “debt” according to this definition: A debt is any obligation...of a consumer to pay money arising out of the transaction or primarily for personal, family or household purposes.

The FDCPA does not apply to every owner, but rather specifically consumers, who are defined as “any natural person obligated...to pay any debt.” This means the FDCPA does not apply to corporations, trusts, or government entities.

If assessments are considered debts in your area, anyone—other than board member or employee of the association—who attempts to collect assessments on your behalf must comply with the FDCPA. This means your attorney and probably your off-site portfolio manager or book-keeper (collecting on behalf of the association must comply).

Although the association and its employees are not required to comply with the act, when collecting unpaid assessments directly, the association should comply with the spirit and intent of the act because it is not overly burdensome.

Collecting a past-due assessment

requires sensitivity, and it’s important that the association does not violate the owner’s rights. The FDCPA requires that when the association writes to an owner to collect late assessments, it must state:

- That the letter is an attempt to collect a debt.
- Any information the debtor gives will be used to collect the debt.
- Amount of the debt that has accrued and the name of the association.
- That the owner has 30 days to dispute the debt’s validity in writing.

If the owner disputes the debt, the association must send verification of this. The FDCPA prohibits those collecting debts from the following acts:

- Harassing, oppressive or abusive action
- Threatening violence or harm
- Publishing a list of owners who have refused to pay the debt (except to credit bureaus)
- Repeatedly using the telephone to annoy the debtor
- Making false statements
- Misrepresenting the amount of the debt
- Depositing a post-dated check prematurely
- Threatening legal action not intended
- Sharing the delinquent party’s information with a third party without authorization.

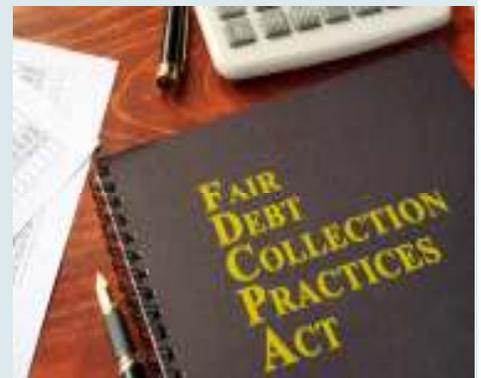
If a debt collector violates the act, the FDCPA says he or she may be liable for damages to the debtor, such as emotional distress or slander.

In addition, abusive debt collectors might have punitive damages, attorney fees and costs if a violation occurs.

The FDCPA is a technical statute. To ensure compliance, the professionals you rely on to collect delinquent assessments should be familiar with the FDCPA and applicable state laws.

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For more information about this topic see Delinquencies at www.caionline.org.



Chapter Administrative Assistant Needed

With Kimm Hudson's departure as Chapter Executive Director late in 2017, the Board of Directors seized the opportunity to learn all that is involved and take an active role in the day to day operations of the chapter. We worked as a team on all facets. This has been a great hands-on experience and will help in the hiring this assistant.

Reflecting on this past year, we have been able to evaluate which aspects/what areas having an administrative assistant would benefit the chapter. This person would be an independent contractor and primarily responsible for invoicing of sponsors, social media, creation & publishing of newsletters, helping to coordinate events & programming. Contractor to be paid on a monthly basis an amount commiserate with the duties and their experience. A full description of the position will be posted on the chapter's website.

It is important we find the right candidate for this position and will pay a finders fee. If interested or have questions, please contact the Board of Directors via email to info@cai-ky.net for more information.

2019 Sponsorship Levels, Benefits & Rates

As a Business Partner, Community Management Company or a Community Association, we know you can invest your marketing dollars wherever it best suits your needs. We believe your investment in the CAI-Kentucky Chapter Sponsorship Program will increase your groups' ability to strengthen their relationship with our members. Take a look at our available sponsorships below and if you find one that suits your needs, please contact the chapter's Board of Directors.

Platinum - \$1500

- Logo on scrolling banner on the front page of the chapter website
- Clickable logo on the sponsorship page of the chapter website
- ½ page advertisement in each of the quarterly newsletters
- Spotlight article (1,000 words or less) in one (1) newsletter
- Listing in the Preferred Business Partner section of the online membership directory
- Free Registration to attend six (6) chapter luncheons.
- Logo displayed at all chapter events.

Gold - \$1000

- Clickable logo on the sponsorship page of the chapter website
- ½ page advertisement in two (2) of the quarterly newsletters
- Listing in the online membership directory
- Free Registration to attend three (3) chapter luncheons.
- Logo displayed at all chapter events.

Silver - \$600

- Clickable logo on the sponsorship page of the chapter website
- ½ page advertisement in one (1) of the quarterly newsletters
- Listing in the online membership directory
- Free Registration to attend one (1) chapter luncheon.
- Logo displayed at all chapter events.

Bronze - \$250

- Clickable logo on the sponsorship page of the chapter website
- ¼ page advertisement in one (1) of the quarterly newsletters
- Listing in the online membership directory
- Logo displayed at all chapter events.

Luncheon Sponsorship Are Also Available

Luncheon Sponsor - \$150 (Only one per luncheon.)

- Recognition on the chapter website during the month that you sponsor.
- Up to two (2) Minutes to introduce yourself and company during the luncheon.
- Table-top signage at the luncheon.
- Marketing materials may be placed on the luncheon tables.

CAI-Kentucky Chapter Sponsors

Without the help of sponsors the Kentucky chapter could not provide you with the education and resources we currently provide.

We want to make sure that everyone knows who our sponsors are and thank them for their support.

Please consider allowing our business sponsors who service community associations to bid on the projects for your community!

Links to their contact information can be found on the CAI-KY.net website.

[Alliance Association Bank](#)

[All Points Community Management](#)

[BB&T Bank](#)

[Community Management Association](#)

[Cullen Enterprises](#)

[Greenscapes Lawn & Landscaping](#)

[K&P Roofing](#)

[Logan Lavelle Hunt](#)

[McClain DeWees, PLLC](#)

[McDaniel Insurance Agency](#)

[Paragon Management Group](#)

[Popular Community Bank](#)

[Robins Insurance Agency](#)

[Signal 88 Security](#)



CAI Kentucky Leadership

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Chapter President-Elect

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Chapter Treasurer

Edwin Gibson
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Chapter Secretary

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