

March 26, 2020

Week three of this new world we are living in. We have had decent week and much was accomplished. We hope everyone is staying healthy and safe.

Our main office remains open for regular business hours for those that need to have an appointment to drop off applications, architectural requests, pick up clickers or other administrative items. However, we have been working on cleaning up open files and preparing a few weeks out for upcoming events. We do not know if they will have us close our office completely but for now we are trying to continue business as usual as much as possible. If the "lockdown" occurs for businesses, our staff will begin working in shifts at the main office so that we do not have too many in our location at any given time. Our phones will go to our answering service and they have committed to have the staff available to deal with the volume of phone calls.

I have begun participating in weekly webinars with other professionals across the state and country that are in our industry to try and navigate this changing business world. This weeks webinar provided some very good answers to questions we are getting from several of you. As I stated last week, not all of this will apply to your community. However, while the specific topic may not apply to you now it may in the future.

What is an "essential workforce"- At this time we have taken the stance that Casey Management team members are "essential workforce". Our accounting team is still needed to deposit the incoming assessments, issue checks to the vendors and utilities, and to handle closing inquiries. Our property managers are considered "first responders" for emergency purposes to properties as key holders, or other emergency situations.

On-site management staff is paid directly by your association. If you choose to make changes in that staffing, we completely understand.

However, understand that our resources are being pulled in many directions at the main office and we may not be able to step in and fill a gap if you have chosen to have your onsite staff work hours decreased. The company policy will remain the same- FIRE, FLOOD or BLOOD we are on call 24 hours 7 days a week and will do our very best to get there if we are called out for one of these items.

Our portfolio managers will continue to work and will continue to handle the day to day operations of the association. However, you may not see them on property as often. We have encouraged all managers to postpone any upcoming meetings until at least April 12th at this time. We will continue to monitor the CDC recommendations of limiting gatherings to fewer than 10. If that date is pushed out further we may update our suggestions.

What is "non essential"- from a standpoint of what impacts the association the most, we do fear that the landscapers will fall into this category. It is quite possible that we will see an interruption of service if the area is put on "lockdown to essential staff only". The questions come fast and furious after this comment. Will we still be billed for services? Can we hire someone else? What if the grass gets tall?

Until we get into this situation we cannot provide certain answers but here is what we have been told so far:

Yes, we will still be billed for services. Almost every landscaping contract I have seen has the "except acts of God" clause in there and this would be in the opinion of many, an act of God. The landscapers may not be allowed to show up. No we should not hire someone else. We will not be able to check their insurance and other vetting necessary and we would be concerned of opening up

associations to liability. If the grass gets tall, we will just have to hold tight. Hopefully that is the worst of our worries.

What happens if owners stop paying their assessments- This is a fear we have. Given the recent economic downturn, layoffs, lockdowns, limited hours of work this is a reality we may have to face. However, we have tried to communicate with owners throughout March how to make their upcoming payments for April 1st so that they understand we still expect payment. The association budget covers operating expenses that are contracts, utilities, maintenance, insurance and other bills that just do not stop because the economy is slowing down. The recommendations from the webinar last night were to get late notices out as normal for April billings. This will reinforce to owners that they must pay. That may be all hat some owners need to know. Some may be holding out hope that the association will forget about billing or collecting. Others may need more time to pay or flexibility. Those should be dealt with on a case by case basis with the individual board that is impacted.

If a board member is asked do we still have to pay or is my fee going to be reduced? Remind them that often there are services that are directly related to those payments such as water/sewer/trash or cable services or insurance that will all have an interruption of service if the bills are not paid. We will closely be monitoring the accounts receivable and will be meeting with our accounting staff on April 16th to see where we are and what steps need taken.

Should we hold our board meetings- can we do zoom meetings? While we have had the state of emergency enacted for the state of Florida the consensus is that you should only hold board meetings for items that must be acted on now. Conference call meetings can be used for emergency purposes but it is not the time to hold meetings via conference where owners cannot participate. The

attorneys recommend not opening up conference calls to all owners as you do not know who else is on the line and you may have non owners hearing the association business.

Should projects continue? The recommendation made last night was to hold off on any projects that have not already signed contracts or had deposit checks, permits or assessments collected for. For example now is not the time to start a large project that will be coming out of the operating budget such as mulch or landscaping upgrades. You may need the funds for regular operations if we run into collection issues. If you have been planning a reserve project and planned to do this out of season, if the funds are available in your reserves, I would say this could continue. However, be prepared for work stoppage or shortages of supplies that may prolong a project. Vendors are going to have a hard time with getting the necessary supplies or may lose workforce during this time.

Enough Gloom and Doom- This too shall pass. We prepare for the worst and hope for the best. We are very conservative in our approaches. We do care for each and every location and want every community to come out of this with the best possible outcomes. If we see that we need to reallocate some of our staffing resources because another area is overwhelmed we will. Patience is going to be the key to all of this. We are thankful for each and every client. We are thankful that we have not had notification of one positive test at any location yet.

As always- email me direct if you have a specific question. I am trying to clear my inbox every 24 hours.
bspence@caseymanagement.com

The Team of Casey Management