

# UTAH

## COMMUNITY LIVING

### SEEKING CONFLICT

*Dealing with  
difficult people*

### BUILDING ASSESSMENTS

*Steps to  
Affordable Repairs*

### ASSOCIATION LOANS

*DOs and  
DON'Ts*

### TAX LAW CHANGES

*What Happened  
To HB 441*



2019  
QUARTER 4

# President's Message



By Robert Rosing  
Attorney at Wrona Dubois

In my first letter as UCCAI president, I would first like to thank our outgoing president, Quinn Sperry, for his hard work for this chapter throughout his four-year tenure. His contributions are greatly appreciated and I look forward to continuing to work with him as an invaluable member of our chapter.

As we enter a new decade, UCCAI faces many new challenges. This chapter is still trying to grow and attract new members. The chapter also needs to stay relevant to its existing members and to provide its members a better value for their membership fees.

This year, we will all need to continue to work together to face these challenges. Our goal as a chapter should be to increase our visibility in our communities and to demonstrate to both our communities and our members the resources and value that UCCAI has to offer. I'm looking forward to the launch of our new website later this year which will be a great way to make our resources available to potential members, as well as a number of exciting events that will take place this year.

I look forward to working with all of you to meet these goals. I'm confident that with the support of all of our members, this chapter will be able to continue to grow and improve. Let's make 2020 UCCAI's most successful year yet!



Attendees at the November 8th luncheon on case laws updates.

# Executive Director

## Board Leadership Development Course



By Mindy Knudsen  
Executive Director  
UCCAI

Have you changed companies recently, job titles, business addresses? Are you new to your HOA board? Or recently retired from your board? Notify CAI of any and all changes that will affect your national CAI and local directory listing. Make sure CAI, the Utah chapter and your colleagues have your most up-to-date-info. Send updates to: [addresschanges@cai.com](mailto:addresschanges@cai.com). This email address will be listed on the directory website page for chapter members and on event fliers. Add this email address to your contacts.

Also, membership auto renewal is now available. New CAI members can find details and enroll during the sign-up process. Current members can log on to [www.caionline.org](http://www.caionline.org) and join in the My Memberships section.

- Auto Renewal is only available for membership and is a voluntary program for all member types except Student, Public Official and National Corporate members.
- Neither CAI staff nor chapters are permitted to enroll members. Members can enroll only on the CAI website after agreeing to the terms of the program during the online join process or in the My Memberships section. Members can unenroll or update their payment information in the My Memberships section as well.
- We will send a reminder email 20 business days before membership expiration and charge their credit card or bank account approximately 10 business days before expiration. We will not send a renewal notice to these members.
- The suggested Foundation Contribution is required for Membership Auto Renewal.
- Upon enrollment, members will pay for their soon to expire or new membership; auto renewal will apply to subsequent years dues.
- Enrollment includes the primary membership and its associated chapter memberships.
- We are soft launching the program to ensure success and then will share marketing materials with chapters for promotional purposes.

If you have questions or feedback, please contact Karen at [kmcmullen@caionline.org](mailto:kmcmullen@caionline.org) or (703) 970-9247.



# Desperately Seeking Conflict



By Ken Bertolucci  
Principal  
NS Management

If you interact with 20 people in a business day, 19 may be pleasant encounters. But if just one is extremely disagreeable, that interaction will probably stick in your mind. You may replay it over and over throughout the day, while you think of the clever replies you wish you had said at the time. At worst, the encounter may gnaw on you after working hours and even disturb your sleep.

It's fair to say that you have allowed that person to take up space in your mind. And as a Community Association Manager, it should disturb you even more that they're not even paying a fee for the precious real estate in your head.

## The High Conflict Personality

When I started as a new CMCA dealing with homeowner issues, I was surprised to discover that some people didn't seem to want a peaceful resolution. Instead, they appeared to enjoy conflict and try to increase or prolong it. Any attempt to bring the matter to a close brought resistance and caused them to raise new issues.

Bill Eddy, a licensed professional as both a therapist and attorney, observed this phenomenon when dealing with such individuals in workplace or family disputes. He came to understand that it was not the pressure of the current issue at hand that would cause their extreme behavior, but that these personalities created conflict no matter what the circumstances. To gain a better understanding of this behavior, he engaged in a detailed study of these types, who he termed High Conflict Personalities (HCP).

As a result of his observations, Mr. Eddy devised a process to get control back from HCP's during a difficult encounter, and contain their destructive actions. But first, he found, you must accept that you cannot change their conduct or even help them gain insight on their unproductive behavior. Their patterns are imbedded, unconscious and automatic. Again, the key word with HCP's is containment, not rehabilitation. If you expect them to suddenly see the light and repent from the error of their ways, like Jake in the *Blues Brothers* movie, you will be disappointed.

## How Should You Respond?

Instead, Bill Eddy advises you to use a B.I.F.F.\* response: brief, informative, friendly, and firm.

**Brief** — reply briefly and succinctly. You don't want to get in a dialog with the HCP, since any extra commentary only adds to the probability of an angry response and provides fuel to take the conversation off track.

**Informative** — Simply reply to the question, correct the inaccurate statement, or state your policy firmly with no unnecessary elaboration. The main reason you are responding is to correct their erroneous statements or expectations. Focus on the facts and the accurate statements you want to make instead of the inaccurate statements the other person made.

**Friendly** — Using a friendly response will increase your chances of bringing the matter to a close (i.e. beginning with "thank you for contacting us"). At least be neutral – no sarcasm, threats, and personal remarks about the other person, no matter how unreasonable they are being. Don't let them bait you into responding emotionally, or give them a reason to get defensive and keep leveling new accusations.

**Firm** — After you have conveyed your information, then close the discussion. Sound confident and don't ask for more information. Mr. Eddy advises that in cases where you need a response to a specific question, phrase it as a "yes or no" question and ask for a response by a certain date and time.

## Not Every Irrate Person is a HCP

It is important to remember that not all difficult people are high conflict personalities. You need to make a distinction between an HCP and someone who may be truly upset about the matter at hand, but are willing to work with you cooperatively. If you respond with understanding and helpful guidance and the other party is receptive, you can provide excellent service and perhaps even improve the relationship. But if you find yourself dealing with an HCP, you now have a roadmap. By following it, you may even be able to evict them from that rent-free space in your head.

\*For more information on BIFF Responses, see Bill Eddy's book BIFF: Quick Responses to High Conflict People, Their Personal Attacks, Hostile Email and Social Media Meltdowns.

\* This article is printed with approval and originally appeared on June 14, 2019 in the blog of GoGladly.com, accessible at <https://gogladly.com/blog/desperately-seeking-conflict/>.

# Building Assessments & Repairs

## 5 Steps to Affordable Repairs



By Jens Johanson  
Owner  
J2 Building Consultants

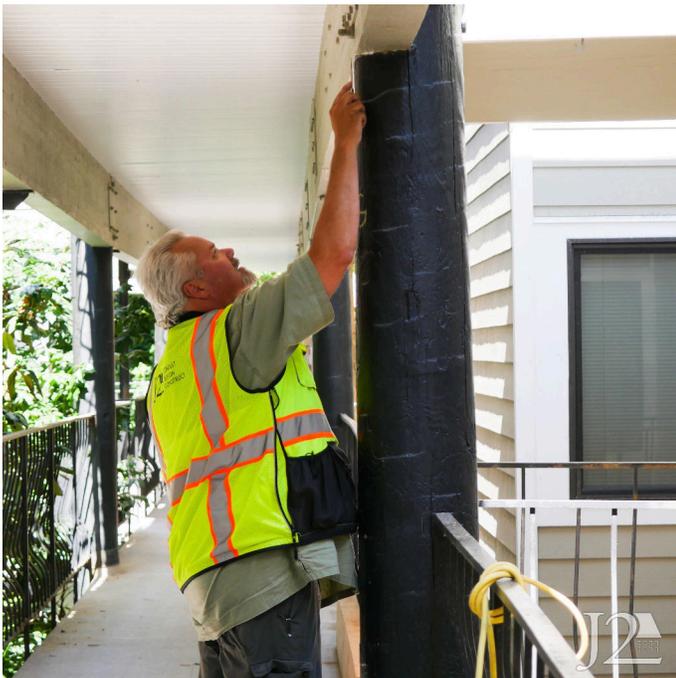
Leaks spring up, windows fail, paint starts to peel. All of these can be warning signs of underlying damage. It can be tempting to avoid the cost of regular inspections by ignoring red flags on your building, but with the proper guidance, your HOA can have manageable and affordable building repairs in 5 simple steps.

### 1. Visual Inspection

All condominium associations should schedule a visual inspection annually *at a minimum* and arrange additional inspections at other regular intervals. Call a licensed investigator whenever suspicious problems arise, after storms, after any reported leaks, and for all buy/sell transactions.

### 2. Invasive Inspection

The term “invasive” simply means opening a few areas on the building that present with signs of underlying damage. The inspector will remove a small area of siding, deck coating, or other exterior elements to understand the extent of the damage. They will then place a temporary cover over the openings to prevent further damage until a scope of repair is drawn up.



### 3. Develop Plans, Specifications, and Bid Documents for Repairs

In many states, it is required by law to hire a qualified inspector and engineer for condominium repairs. For the project to begin, the construction contractor, building permits, and bank loans will all require a set of detailed plans. Once your specifications have been designed by an engineer, they will be posted for contractors to bid the work. When considering contractor bids, *lowest bid is not always the best bid*. Low cost can often mean the workmanship of the contractor will be sub-par, or you can expect change orders later on that will request additional payment. The consultant on your project will help you interview contractors to find a company that is reputable and experienced in occupied remediation. If the bids come back too expensive, your consultant will help you make changes to the scope and plan for any additional repairs or maintenance that might be needed down the road.

### 4. Obtain Funding for the Project

Now that you understand the exact costs and scope of repair, you can begin seeking funding for the project. You may have planned ahead with a savings account and reserve study that predicted these repairs. If not, you can consider raising the dues, seeking warranty or insurance claims, getting a loan, or utilizing rebates from your utility company.

It is important to mention that insurance companies will almost always reject a claim for building repairs. If this happens to you, it is not the end of the road. A consultant can help you seek legal counsel from an attorney specializing in insurance litigation for condominiums.

### 5. Repair Your Building

Construction administration is a fundamental piece of the repair process to make sure the project is executed well. It includes answering the contractor's questions on project details, reviewing submittals and mockups from the contractor, performing quality control observations of the work to ensure the specifications designed by the engineer are followed accurately. Throughout the project, you or your consultant will need to review pay applications, handle change orders and any unexpected problems that arise, document all repairs for future reference, and ensure that all final repairs meet warranty requirements to protect your building in the event of material failures.

# Community Association Loans

## The DOs and DON'Ts



By Chuck Balacy  
Vice President  
Mutual of Omaha Bank

In just the last few years, I have seen a substantial increase in board members and community managers inquiring about a bank loan for their association in Utah. There are numerous reasons why this conversation takes place: maybe the useful life of the roof or asphalt did not last as long as expected, maybe the reserves are underfunded because assessments have not increased to keep up with rising inflation, or maybe the homeowners just want to have a new clubhouse or park built for everyone to enjoy. Regardless what the reason is, a community association loan can be a solution but it is important to first understand the do's and don'ts.

**The Do's:** Do your best to have as much transparent and consistent communication with all the homeowners if you are considering a loan for your community association. I have attended many successful town hall meetings where homeowners get to learn why the community may need to borrow and hear from the association's attorney, banker, and contractors to better understand all the details.

Do your due diligence by making sure your community association's documents are up to date and complete before applying. A typical loan application will require copies of governing documents (articles, bylaws, declarations), the collection policy, delinquency reports, the reserve study, budgets, and sometimes even a CPA prepared financial statement is necessary.

Do your best to understand all the options you have to achieve the funding needed. A community association loan could be an option, but also is a one-time special assessment or even increasing the regular assessments (or even a combination of all three). Explain to homeowners that selling their unit during this time is a possibility, but they need to understand that this new assessment is tied to each unit and will be disclosed to buyers.

Do understand that ultimately the bank has two options: approve or decline the loan based on their underwriting guidelines and standards. If the application for the community association loan is declined, the bank will always provide the exact reasoning for that decision. It is also possible that the loan may be approved in the future if homeowner delinquencies have improved, for example.

**The Don'ts:** Do not enter into a loan agreement without consulting with legal counsel first. Every association has different governing documents and state statutes to abide by, so it is vital that the attorney is involved from the beginning. Some communities will need a vote of the membership first, which is why I recommend having your attorney present at the townhall meeting to help with that process.

Do not believe that getting a loan means the bank can lien units if the association defaults on the loan. The banks that specialize in lending to community associations understand how to collateralize and secure it properly. Community association loans use future cash flow (assessments) as collateral so there are no personal guarantees, no credit inquiries, and no personal liens.

Do not be lenient with the collection policy because that can result in more delinquencies, making it harder for the association to get approved. One of the most significant underwriting guidelines for a community association loan is the number of delinquent homeowners. If the association already has difficulties collecting regular assessments, a loan payment on top of that can be a bigger challenge.

Do not apply for a loan without knowing all the basic information about the project first. A bank can provide an initial loan proposal that outlines the interest rate, terms, and estimated monthly payment but they will need to know the basics. The community association loan application will be more comprehensive, but your banker and their lending team can help guide you through that process.

Do not lose sight of the bigger picture which means asking the question "if our association received this loan, what would it do for our community? Yes, the loan provides the funds needed to repair the roofs or the asphalt or even build the new clubhouse and park. More importantly, it can ultimately lead to a more appealing and more attractive neighborhood that people will want to buy into and stay long term.

\*Chuck Balacy is Vice President with Mutual of Omaha Bank and can be reached at: [chuck.balacy@mutualofomahabank.com](mailto:chuck.balacy@mutualofomahabank.com)

# Tax Law Changes

## What Happened to HB 441



By Chase Everton  
Managing Partner  
Utah Policy Advocates

Utah's tax structure is unique. In fact, it is one of a kind. What makes Utah so unique is that its income tax is constitutionally earmarked to be spent *only* on education, something no other state in the country does. This means that every other non-education expense in Utah must be paid for out of the general fund or by property tax. During the last few decades, as our economy has shifted to a more service-based economy where the sale of tangible goods has been replaced by the providing of services, Utah's tax revenue has been adversely impacted. While this has led to a surplus over the last few years in income tax revenue, allowing the Utah Legislature to invest more in education, there have been concerning trends in other areas of the state's budget that are funded by sales tax and property tax. The general fund essentially pays for everything else: roads, Medicaid, economic development, etc. In short, Utah's tax problem is not really a lack of tax revenue, but rather a structural tax imbalance.

During the 2019 Legislative session, Rep. Tim Quinn introduced HB 441, a bill that attempted to address this structural imbalance. HB 441 proposed to add taxes to nearly every service imaginable, which caused many industries and professions to activate their government relations efforts. The straw that broke the camel's back was the lack of consideration for the "pyramiding" aspect of HB 441, which meant that not only would business income be taxed, but many of the business inputs would also be taxed along the way. This is contrary to the general tax policy that the legislature has worked to maintain for as long as anyone can remember. As a result of the opposition, the bill was abandoned by the legislature, and a tax task force was created to analyze the issue and propose solutions.

During this summer and fall, the Tax Restructuring and Equalization Task Force held nearly 20 meetings across the state, receiving input from citizens, local business owners, and virtually every industry. The initial result was a bill that looked much different than HB 441. However, there were still a number of services where sales taxes would be levied, including on things such as the maintenance and repair of real property (landscaping, painting, cleaning, etc.) However, by the time the final version of the bill was released, these proposed taxes were removed.

In the final version of the bill, a number of sales tax exemptions were removed, and certain services were added. Below is a list of those sales tax exemptions and services.

### Sales Tax Exemptions Removed:

- Electricity to ski resorts for lifts
- Vehicles used for temporary sporting events
- Admissions to college athletic events
- Textbooks purchased by a student (not including at a college bookstore)
- Primarily unassisted cleaning of tangible personal property (unless payment is exclusively through machines that only accept cash or coin)
- Use of unassisted amusement device
- Vending machine food sold for \$1 or less
- Certain car washes
- Sales to a public transit district
- Fuel sold to a common carrier railroad and used in a locomotive engine
- Newspapers or newspaper subscriptions

### Services to have Sales Tax Added:

- Installation of tangible personal property when part of a taxable sale
- Pet boarding, pet grooming, and pet daycare services
- Personal transportation service
- Motor vehicle towing
- Parking lots and parking garages
- Dating referral services
- Identity theft protection
- Streaming media
- Shipping and handling when part of a taxable sale
- Electronic security monitoring of real property

On December 12, the legislation passed the final tax bill by a vote of 20-7 in the Senate and 43-27 in the House. The bill included an income tax reduction from 4.95% to 4.66%, and it added a sales tax to certain services such like pet boarding, peer to peer ride sharing (Uber), and a few others, which should have no real impact on the CAI community. In the end, Utahns will receive a tax cut of roughly \$250 million, with \$100 million being a one-time cut and \$155 million in ongoing income tax cuts.

# Meet the New Board Members

## LaMond Woods, Business Partner



LaMond has over 25 years of experience as an insurance provider and risk management specialist. He is a Senior Partner at SentryWest Insurance Services and served as a member of the CAI Legislative Action Committee (LAC) for ten years. He also served as LAC chairperson for several years. As a member of the committee, LaMond worked directly with the drafters and legislators on the language for SB167, the bill that is now law governing insurance for condos and community associations in Utah. He has always sought out and implemented innovative ideas to more efficiently and economically provide insurance to his clients.

## Jean Crane, Homeowner



I'm excited to join the great group who serve on the CAI Utah Chapter Board of Directors. In 2001 I retired from 25 years of working for ad agencies and corporations as a manager, which allowed me to focus on volunteering and working to help non-profit groups and organizations. In 2009 our HOA Board of Directors asked that I head our HOA Legal Committee. For 10 years our team provided extensive research to our HOA attorneys, facilitated the coordination with, and education of, well over 100 county, state and federal officials, which resulted in our HOA finally winning the 30-plus years of litigation. Also as a homeowner, I worked for several years with a team, government officials and council to have legislation successfully passed relating to Special Improvements Districts in Utah. My husband and I live in a unique horse community located west of Herriman. We very much enjoy caring for our amazing, adopted, special-needs horses.



# UCCA Committees

## 2019/2020 BOARD MEMBERS

Robert Rosing, Wrona /Dubois (At Large) – President  
Ryan Wimmer, CCMC (Manager) – President Elect  
Michael Miller, Miller Harrison (At Large) – Secretary  
Lauren DeVoe, Morris Sperry (Business Partner) –Treasurer  
Scott Anderson (Manager)  
LaMond Woods (Business Partner)  
Jean Crane (Homeowner)

## COMMUNICATIONS / PUBLICATIONS

Michael Miller - Liaison  
Stephen Aina - Chair  
Ryan Newton, CMCA  
Eric Harker  
Melyssa Davidson  
Jen Seals, CMCA, AMS  
Monica Gonzales  
Quinn Sperry

## EDUCATION

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Andrew Blonquist - Chair  
Blake Johnson  
Peter Harrison  
Crystal Coburn  
Lara Valenzuela, CMCA, AMS, PCAM  
Neil Schiffman  
John Morris  
Jessica Cullimore  
Joseph Morgan

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Tyler LaMarr – Chair  
Jeff Wheeler – Co-chair  
Barry Wilkins  
Scott Welker  
Amy Makeever

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Lauren DeVoe - Liaison  
Ed Tallerico - Chair  
Patsy Young  
Robert Baird, CMCA  
Rosalie Woolshlager  
Josh Jensen  
Béat Koszinowski, CIC, CIRMS

## SOUTHERN UTAH

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Kamarie Naase, CMCA, AMS, PCAM - Chair  
David Houston, CMCA, AMS, PCAM  
Jerry Jensen, CMCA, AMS  
Luke Udy  
Carson Bagley  
Greg Gardner, CMCA, AMS

## LEGISLATIVE ACTION COMMITTEE

Bruce Jenkins, CCAL – Chair  
Michael Johnson, CMCA, AMS, PCAM – Vice Chair  
Jason Sucher – Treasurer/Fundraising Vice Chair  
Ryan Bonham - Secretary  
Quinn Sperry – Leg. Analysis Chair  
Tyler LaMarr - Leg. Analysis Vice Chair  
David Houston, CMCA, AMS, PCAM – Public & Leg. Relations Chair  
Dale Gifford, CMCA, AMS, PCAM, RS – Public & Leg. Relations Vice Chair  
Jerry Jensen, CMCA, AMS – Fundraising Chair  
Jill Candland  
Lincoln Hobbs, CCAL  
Béat Koszinowski

# UCCAI Membership

October 1, 2019 - December 31, 2019

## NEW MEMBERS

Chester Reeves  
Steven Bingham  
Michelle Lea  
Debbie Jacketta  
Shelby Cardall  
Robert Spjute  
Nancy Nicoll

## REJOINED MEMBERS

Iris Heaton

## RENEWED MEMBERS

Spencer Thomas  
Luke Udy  
William Whitsitt  
Roland Sweeney  
Joanne Guggenheim, AMS, PCAM  
James Simmons, CMCA  
Richard Rockhold, CMCA  
Michelle Pohlman  
Amy Hughes  
Mckenzie Johnson  
Braydi Lazenby  
Tiffany Olson  
John Christensen  
Candice Billingsley  
Michelle Davenport  
Ingrid Staebner

## RENEWED MEMBERS

Megan Deming, CMCA, AMS  
Alanah Griffith  
Richard Jones  
Shelley Grover, PCAM  
Amanda Degallado  
Jacquelyn Parlee, CMCA  
Teresa Wharton  
Jennifer Seals, CMCA, AMS  
Cynthia Romans, CMCA, AMS  
Dixie Kramer, CMCA, AMS  
John Richards  
Kamarie Naase, CMCA, AMS, PCAM  
Alexandra Chau  
Karl Karren, AMS  
Steven Randall  
Sheralyn Hopkinson, CMCA, AMS  
Sarah Blechta, CMCA, AMS



Attendees at the November 8th luncheon on case laws updates.

# UCCAI Designations

## Name

Alvarez, Margaret, CMCA, AMS  
Anderson, Scott, CMCA, AMS  
Atchley, Bradley, CMCA, AMS, PCAM  
Biesinger, Andrew, CMCA, AMS  
Blackwood, Robert, CMCA, AMS  
Cardon, Coralynn, CMCA, AMS, PCAM  
DeLong, Christopher, CMCA, AMS  
Deming, Megan, CMCA, AMS  
Elliott, Alan, CMCA, AMS  
FCS Community Management, , AAMC  
Gamvroulas, Suzanne, CMCA, AMS  
Gardner, Greg, CMCA, AMS  
Gifford, Dale, CMCA, AMS, PCAM, RS  
Grover, Shelley, PCAM  
Guggenheim, Joanne, AMS, PCAM

## Name

Hobbs, Lincoln, CCAL  
Hopkinson, Sheralyn, CMCA, AMS  
Houston, David, CMCA, AMS, PCAM  
Jenkins, Bruce, CCAL  
Jensen, Jerry, CMCA, AMS  
Jensen, Joshua, CMCA, AMS  
Johnson, Michael, CMCA, AMS, PCAM  
Kailing, Justin, CMCA, AMS  
Koszinowski, Béat ,CIRMS  
Kramer, Dixie, CMCA, AMS  
McGlone, Missy ,CIRMS  
Morris, John, CCAL  
Naase, Kamarie, CMCA, AMS, PCAM  
Newton, Ryan, CMCA, AMS  
Peters, Adam, CMCA, AMS

## Name

Polvere, Stephen, CMCA, AMS  
Reid, Jenai, CMCA, AMS  
Richards, John, CCAL  
Riding, Kati, CMCA, AMS, PCAM  
Seals, Jennifer, CMCA, AMS  
Shifman, Rebecca, AMS  
Simmons, Shaun, CMCA, AMS, PCAM  
Spillane, Cindy, CMCA, AMS, PCAM  
Stucki, Susan, CMCA, AMS  
SunWest Management, AAMC  
Taylor, Connie, CMCA, AMS  
Valenzuela, Lara, CMCA, AMS, PCAM  
Webster, Brian, CMCA, AMS  
Woods, LaMond, CIRMS



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