



Neighborhood Insider

NOVEMBER 2008 VOLUME III ISSUE XI

AN AAM PUBLICATION

Answers from Amanda: **Raising Assessments**



Q: What does it take to raise assessments?

A: These days, there may be several reasons why an Association may need to increase its assessments. An increase in dues may be necessary to ensure there is enough operating cash to offset uncollectible accounts if your community has issues with its number of delinquent homeowners.

Other reasons for an increase may be due to rising utility costs for water and electricity or to cover increases in landscaping costs.

Raising your Association's assessments is typically a task that is accomplished by a majority affirmative vote by your community's Board of Directors in an open Board meeting or via unanimous written consent. However, it is always a good idea to review your governing documents to be sure this is the case. It is also important to review your CC&Rs to see what, if any, limitations are placed on assessment increases. For example, your community's CC&Rs may only allow for a 5 percent, 10 percent or 15 percent increase in assessments in any fiscal year. Some CC&Rs allow for additional increases during the year if unanticipated costs occur due to emergencies, increases in utility costs, etc.

When increasing assessments, you also have to take into consideration statutory limitations. A.R.S. § 33-1803, under the Planned Community Act, states that an Association cannot increase the "regular assessment" more than 20 percent from the preceding fiscal year's assessment without the approval of a majority of the members of the Association. If your community's CC&Rs are silent about the maximum increase allowed each year, you are limited to 20 percent, based on this statute. Also note that if your CC&Rs set forth a lower limit, such as 5 percent or 10 percent, you cannot exceed that limit even though the statutory limit is 20 percent. In this case, if you wanted to raise the assessment above the 5 percent or 10 percent, you would need to check your CC&Rs to see what would be required to do so (e.g. the affirmative vote of a majority or super majority of the homeowners or membership).

If you live in a home or a unit in a condominium Association, there is no statutory limit on assessment increases, but you will still need to check your governing documents for possible limitations.

Amanda Shaw, President of AAM



DID YOU KNOW:

A Smile is the Universal Welcome.

Did you know that one of the simplest things you can do to help build a stronger community is to share a smile with your neighbors? It's easy and it doesn't cost a thing – plus, it just may make your day, too!

HERE ARE SOME FUN SMILE FACTS:

- A smile is a universal expression of happiness and is recognized as such by all cultures
- A smile is the most frequently used facial expression. It takes as few as five pairs of facial muscles and as many as all 53 to smile

Continued on back



7740 N. 16th Street
Suite 300
Phoenix, AZ 85020

602.957.9191

602.957.8802

www.AAMAZ.com

SERVICE SPOTLIGHT:

Adam Escobar, Director of Finance



Homeowners and board members count on Adam Escobar and his staff to make sure their communities' financial affairs are in top working order. It's a responsibility he not only takes very seriously, but one he enjoys, as well.

"The team we have here is the key because they are so excellent to work with," said Escobar, AAM's Director of Finance. "With so many facets to our business, there's no way we could do it without them."

Escobar joined AAM in August 2005 as Controller of Master Planned Communities. He quickly worked his way up the corporate ladder, holding the positions of Assistant Controller and Controller before being promoted earlier this year to his current post.

As Director of Finance, Escobar reports to AAM CFO Kevin DeBolske, and splits his time between accounting duties for AAM's clients and for AAM as a corporation. He ultimately is responsible for the Staff Accountants and Controllers of Master Planned Communities, the Accounts Payable and Accounts Receivable Departments, the Transfers and Disclosure Department and the Legal Department – 35 people, in all.

He also works closely with AAM's Corporate Accountant, its Financial Analyst and its Assistant Corporate Accountant.

"The people I work with and the variety of challenges are the favorite parts of my job," Escobar said. "AAM also encourages process improvement and 'thinking outside of the box,' which inspires me everyday."

When he is not working, Escobar enjoys playing golf, watching and playing sports, and spending as much time as possible with his family. Escobar lives in Anthem with his wife, Carolyn, and their 7-month-old daughter, Tianna.

NEWS YOU CAN USE: Pets and Foreclosure

PETS ARE VICTIMS OF FORECLOSURES, TOO

Arizona's slumping real estate market and escalating foreclosure problem has created a set of victims we seldom hear much about: abandoned pets. Local animal shelters report a record number of animals being turned in due to foreclosures. Worse, some animals are left behind in abandoned homes with no food, water or air-conditioning. Dozens are found clinging to life. Many others do not survive.

If you are facing foreclosure, do not leave your pet behind. Try to find a place that will let you take your animal or ask friends, family and co-workers if they can care for your pet until you get back on your feet again. If you are unsuccessful at relocating your pet, see the resources below for local shelters that can provide help.

How can you help? If you know of someone in your neighborhood who you suspect has left a pet behind, please contact authorities immediately. Realtors or representatives from the bank may not enter the property for months. Adoption is another good way to help. If you are considering adding a pet to your family, now is a great time! Shelters have every type of pet imaginable available for adoption. Not ready for another animal? Consider volunteering at one of the many animal shelters. They are always in need of donations and foster parents.

Resources:

AAWL/SPCA, (602) 273-6852

Arizona Humane Society, (602) 997-7586

Lost Our Home Foundation, (480) 688-7899

Maricopa County Animal Care and Control, (602) 506-7387

Did You Know continued

- Regardless of the precise number of muscles used, smiling causes far fewer muscles to contract and expand than frowning
- Smiling releases endorphins and makes us feel better
- Even faking a smile can lead to feeling happier
- People are born with the ability to smile (They don't copy the expression; even babies who are born blind smile)
- Babies reserve special smiles for their loved ones
- A newborn shows a preference for a smiling face over a non-smiling face
- Women smile more than men
- Younger people smile more than older people
- There are 18 different kinds of smiles used in a variety of social situations
- Human beings can differentiate between the heartfelt smile of joy and happiness and the social smile. It's in the eyes (literally)
- A smiling person is judged to be more pleasant, attractive, sincere, sociable and competent than a non-smiling person
- A person who studies laughter is called a gelotologist

Source: www.raisingkids.co.uk