

To: Belmont Hills Transition Committee

From: Rich Johnson

Re: Minutes from Meetings with Parklane Real Estate Services, LLC and Quality Property Management, Inc.

Date: 4/18/2023

A meeting of a quorum of members of the Belmont Hills Transition Committee (TC) was held today at the Moose Lodge in Lecanto, Florida from approximately 11:30 AM to 2:30 PM. TC members participating were Marve Stockert, Glenn Khoury, Walter Belt, Nathan Duncanson, Tony Singer, Bill Whitefield, Gerd Henjes, Dan Harvey, Beth Iovanna, Patricia Lupien, Carmen Iovanna, and Rich Johnson. The purpose of the meeting was to review presentations from two companies willing to undertake property management duties for the Belmont Hills Property Owners Association (POA) once association management control is turned over to residents by the developer.

The first presentation was made by Dora Steed and Richard Bremer of Parklane Real Estate Services, LLC. beginning at about 11:30 AM.

- 1) Background summary:
 - a. Parklane was founded in 2011 with operations in California and Florida by Dora and Lee Mecomms.
 - b. Florida's operations are led by Dora as Managing Director with Richard as VP of operations.
 - c. The company provides property owners associations with complete management services.
 - d. They have headquarters and accounting offices at 7084 W Gulf to Lake Hwy in Crystal River, Florida. Other company offices are in Spring Hill and New Port Richey.
 - e. They are members of the Community Associations Institute.
 - f. Both Dora and Richard are certified as Community Association Managers (CAM) in the state of Florida and Dora was one of the first group of CAMs (license # in 800s) approved by the state.
 - g. The business has never filed for bankruptcy, nor has it recently settled litigation with any POA.
- 2) Services summary:
 - a. The company provides property management services to thirty-six associations located in the Suncoast area.
 - b. The average size for associations they support is 300 units/sites. Associations managed include Black Diamond, Skyview, Hillcrest in the Meadowcrest development, Beverly Hills, Lakeside and Parkside.
 - c. Their stated goal is to provide quality services to a limited number of associations and remain within the capabilities of existing management and staff. Their stated limit for associations under management is seventy-five.
- 3) Financial controls summary:
 - a. Fraud prevention methods include standard divisions of responsibility prohibiting employees processing both revenues and disbursements and vice versa. Check

requesters are also prohibited from being signers with Dora and Richard overseeing controls.

- b. Funds from independent POAs are not comingled with each other. Each POA must have its own separate bank accounts as well as its own controls on check signers. Dora and Richard may be granted check signing authority only along with POA designated board members.
 - c. As managers, Dora and Richard set high moral and ethical standards which apply to themselves, their employees and their relationships with POAs.
- 4) Documentation summary:
- a. Contracts between Parklane and POAs begin with a standardized document and can be customized as needed. Each client would have a licensed CAM and a property manager assigned to provide support to the board and the residents based on services selected.
 - b. Their base management fee is \$11.00 per door, and this is adjusted based on the level of services provided.
- 5) Service menu summary:
- a. Services provided to POAs can be selected from a menu which includes accounts receivable, accounts payable, financial reporting frequency, assignment of a licensed CAM to manage association operations management and reporting, tracking and coordinating work orders, assistance with vendor selection and management, processing ACC requests and covenant violations, and continuing education for board members.
 - b. The POA board can specify the primary point of contact for residents.
 - c. Parklane can also aid the POA's hearing committee in processing violations through to local courts. Dora noted that the hearing committee is charged under Florida statute with decision making on violations. The committee cannot set fines or negotiate them. They must follow the parameters provided by the POA board.
- 6) Turnover summary:
- a. Dora reported that Parklane's POA turnover rates are low. They have lost two customers in the past three years, both at their request, not the POA's.
 - b. She explained that the boards of these POAs had become dysfunctional and that this belligerence spread to residents and their contact with Parklane's staff and management.
 - c. She also noted that mutual respect is their guide for relations with board members and residents.
 - d. They also recommend a minimum 30-day timeline for transition of POA management control to residents. They will guide the board through the process once notice is provided by Citrus Hills.
- 7) Key relationship elements:
- a. All property managers in Florida do much the same thing regarding the duties specified.
 - b. Parklane's advantage is that they care about customers, including their reasons for choosing to live in the subdivision, such as preservation of real estate values, regular communications, proper maintenance, expense control, and maintaining quality of life, and that they recognize prompt responses to day-to-day issues as well as emergency services are critical to resident satisfaction levels.

- c. They use a lockbox system for bank deposits and electronic transfer of dues, assessments and fees is preferred.
- d. Truist and Cadence are the banks most used by their POA customers, primarily due to reduced fees. Both banks charge for coupons.
- e. Parklane does not have any relationship with Citrus Hills developer's companies.
- f. Parklane management resolves disputes with POA boards via in person meetings. They maintain professionalism, own their mistakes, and expect the POA's board will own its mistakes.
- g. Parklane is designed to serve the management structure selected by the board. They recommend three to five board members, and indicated more than five becomes unwieldy.
- h. Parklane recommends negotiating new contracts with all smaller vendors, but not Spectrum and Waste Management. They can supply a list of service vendors to choose from.
- i. Parklane does all accounting and auditing work in-house.

The final presentation was made by Frank Saccone, Chief Operating Officer of Quality Property Management, Inc. (QPM) beginning at about 1:30 PM.

- 1) Background summary:
 - a. QPM was formed in 1993 and current ownership began in 2005.
 - b. Frank has been with the company since 2005.
 - c. QPM specializes in community association management serving clients regulated under Chapters 718, 719 and 720 of Florida statute.
 - d. The company has approximately 200 employees with 40 CAMs on staff. They provide property management services to between 300 and 350 community associations with 50,000 residents as clients. The smallest association is 6 units and the largest is Sugarmill Woods with 8,000 units. Sugarmill Woods has been a client for 18 years, through 7 renewals.
 - e. Their geographic concentration is in the five counties along the Suncoast from Tampa north.
 - f. New Port Richey is the site of their home office. Their Citrus County office is in Crystal River. They also have offices in Hernando and Spring Hill.
 - g. QPM is a member of the Community Associations Institute.
 - h. The business has never filed for bankruptcy.
- 2) Services summary:
 - a. Accounts receivable, accounts payable, monthly financial reporting, assignment of a licensed CAM, vendor selection and management, tracking and coordination of POA approved work orders, and continuing education for board members.
 - b. QPM has a sophisticated software system (Vantica) designed specifically for HOA/POA/COA management. Transparency and ready access are its hallmarks.
 - c. QPM recommends the primary contact point for residents as QPM's 800 number. The CAM's administrative assistant will be the first contact point. The admin will route the call to the proper area of responsibility for processing.

- d. QPM believes the CAM is critical as the day-in, day-out contact point. The POA board has direct access to CAMs, while residents are directed to the CAM's administrative assistance and the appropriate staff area for direct assistance. This system is conducted via human contact, not a recorded numerical dial selection process.
 - e. Their training of CAMs is not limited to the weekend of class work needed for state certification as a CAM. They use a team concept for support of the CAM, since requiring the CAM to manage all aspects of the relationship would be too cumbersome.
 - f. They supply an administrative assistant for primary backup and route resident customer service requests to proper members of the QPM office staff. All contacts are logged into their Vantica system and available to the CAM as well as POA board members.
 - g. CAM's earnings are in the \$50-60,000 range annually with a part of POA service fees allocated to them, both for motivation and responsibility purposes.
- 3) Controls summary:
- a. QPM avoids overlapping functions involving cash receipts and disbursements. There are no full charge bookkeepers. QPM believes it has very sophisticated controls.
 - b. Administration of billing and collection is done automatically by QPM, not by POA leadership, keeping A/R under control and simplifying filing and monitoring of violations and lien placement.
 - c. Administration of cash flows into and out of POA is done by QPM professionals, with data ported to CAMs for full viewing access.
 - d. All CAMs have an administrative assistant managing lower-level duties. The CAM is "conductor" of QPMs well-orchestrated process.
 - e. CAMs are allocated 8.75 associations on average.
 - f. One-third of fees paid by POA is distributed to the CAM as part of their compensation, an approach they believe aids motivation and improves quality of life for them.
- 4) Documentation summary:
- a. All contracts with POAs are customized to match the service menu selections of the board.
 - b. Contracts are written for a minimum of one year and a maximum of three.
 - c. About 2/3rds of QPM's association customers incur a per door charge of \$10.00.
 - d. This fee is driven primarily by the level of work required as well as reporting frequency, with weekly reporting requiring higher fees. Most associations require monthly reporting.
- 5) Service menu summary:
- a. CAMs are generally not accessible to resident members of the POA. In-house support staff members are the first point of contact for calls from POA members.
 - b. The VIP phone system allows for the spread of calls to support staff and provides direct contact with a person. QPM does not use a numerical menu for customer service calls. The company receives about 33,000 calls annually via its 800 number.
 - c. Support staff will ask POA members to identify themselves, the POA they are calling from and the purpose of the call, then be directed to the admin assistant for that

POAs CAM, who will log the call and then send it to the proper service provider or the CAM. A summary of calls from POA members is logged into their system.

- d. The service portal containing logged data for all POA members is accessible to board members. Individual POA members can only see logged data for their own account.
 - e. Customer service is offered both online and in person.
 - f. Online voting is offered for POA elections, but covenants will need to reflect this.
 - g. QPM management prefers training and promoting from within to external staffing. They use tenured staff where possible and Frank noted that it has been difficult to hire staff in Citrus County, so they have moved tenured staff here when possible.
 - h. QPM's CAMs have been with the company for between 5 and 12 years.
- 6) Turnover summary:
- a. Based on a review of our budget, Frank believes it's unrealistic and has been subsidized by the developer for some time.
 - b. Initially, the POA will need to spend considerable time and money to complete the transition process, but this will be reduced over time as the board members and committee chairs gain training and experience.
 - c. Transition items include an audit as well as reserve studies.
 - d. If a transition is to occur at the end of 2023, the association should continue its ongoing preparations and ramp up efforts starting mid-2023.
 - e. QPM supplies a detailed checklist of matters to be reviewed by the POA board during the transition process.
 - f. QPM is available to support this review and the corresponding negotiation and documentation effort as needed.
- 7) Key relationship elements:
- a. QPM considers itself a hybrid of old school mom & pop relationship management supplemented by a high level of sophisticated technological support.
 - b. QPM has no business relationships with Citrus Hills nor with the developer personally.
 - c. QPM has been pleased to work with the Transition Committee for the past four years but recognizes there has been and is no contract in place, that no fees have been incurred and that they will be comfortable with any decision made by the resident elected board regarding choice of a property manager.
 - d. QPM believes they have demonstrated their expertise, commitment, service capabilities and relationship management orientation over this time and looks forward to the opportunity to be of service.