

# **Subdivision Trustee Workshop Series:**

## **The Business of Running a Subdivision**

**Originally Presented in 2007**

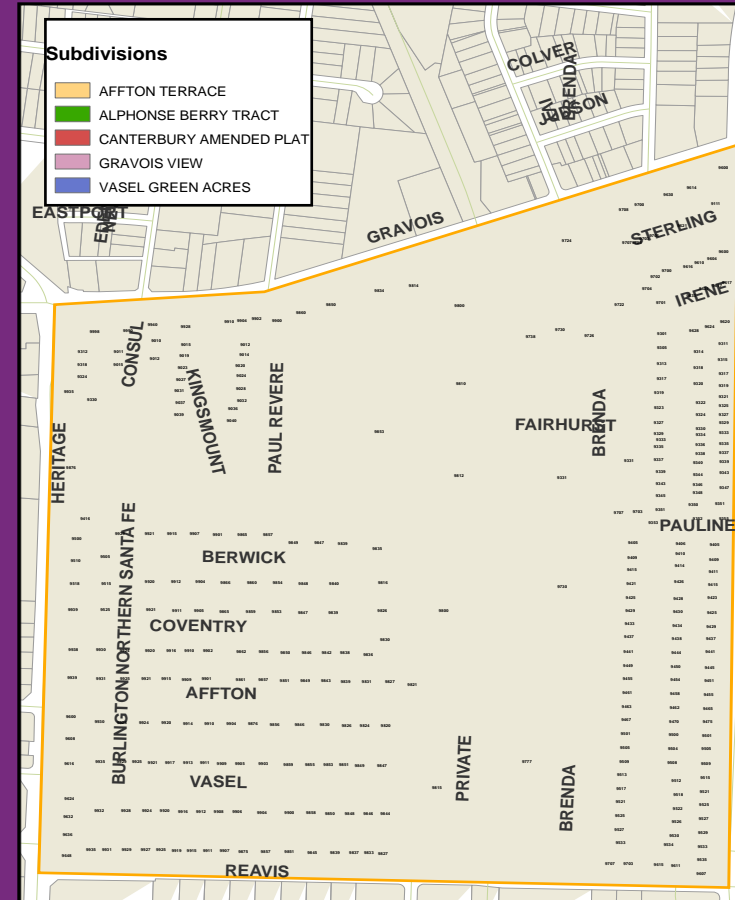
# Workshop Agenda



- Welcome and Introductions
- Presentation by Department of Planning
- Presentation by Panel
- Question and Answer Session

# Subdivision Associations in St. Louis County

- Subdivision associations are formal, legal entities created to enforce subdivision trust indentures and to maintain common grounds, etc.
- Over 600 subdivision associations and 1,800 trustees have registered with the St. Louis County Department of Planning trustee roster.



# Association Meetings

Subdivision associations conduct several types of meetings:

- Board meetings
- Annual meetings
- Special meetings



# Meeting Requirements



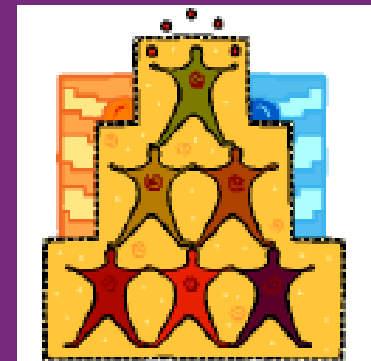
Associations must meet several important criteria before business can be transacted at a meeting:

- Notify members
- Achieve a quorum
- Record actions taken (i.e., minutes)

# Subdivision Association Committees

Many subdivisions form committees, made up of both trustees and homeowners, to address issues.

- Ad hoc committees
- Standing committees



# Subdivision Association Committees



Common subdivision association committees:

- Architectural Review Committee
- Budget and Finance Committee
- Buildings and Grounds Committee
- External Affairs Committee
- Internet Committee
- Landscape Committee
- Neighborhood Watch
- Welcome Committee

# Communicating with Residents

How does a board communicate effectively?

- Communicate frequently
- Be positive, open, and direct
- Listen and be inclusive

Ask yourself these questions:

- What does the board wish to accomplish with this communication?
- When do residents need to receive this information?
- To whom is the message directed?
- What is an appropriate expense for delivering this message?

# Common Correspondence

- Welcome letters
- Thank you letters to volunteers
- Rule-violation letters
- Thank you letters to let residents know their compliance with rules was noticed
- Business correspondence with contractors, lenders, committees, public officials, etc.

# Newsletters



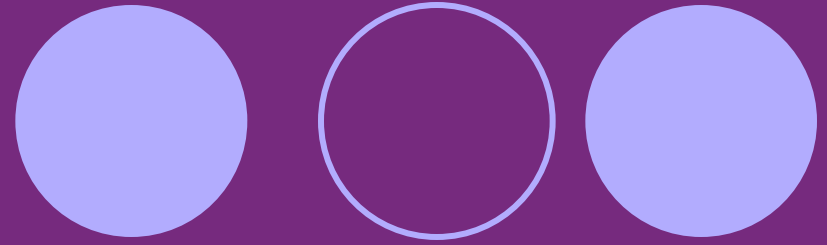
## Audience

- Who will see your newsletter?  
Residents? Managers? Developers?

## Content

- A message from the board or president
- Reports on project status, financials, committee work
- Rule reminders
- Upcoming meetings or events
- Association contact information

# Newsletters



## Presentation

- Snappy headlines
- Well written and easy to read
- Most important information is up front



## Design

- Lighthearted, eye-catching artwork
- Remember to leave white-space and add artwork and/or pictures
- An attractive, consistent, simple layout

# Web sites



- Cheaper, faster, more accessible and more convenient than traditional means of communication
- Provide immediate and interactive exchange of information
- Include the following types of information on your site:
  - Publish meeting minutes
  - Annual and committee reports
  - Back issues of newsletters
  - Governing documents, forms, rules, budgets
  - Announcements of upcoming meetings and events
  - Discussion group forums
  - Email addresses for trustees

# Web sites

## Examples of subdivision web sites:

- [www.arboroaks.info](http://www.arboroaks.info)
- [www.braeshire.com](http://www.braeshire.com)
- [www.foxlakemo.com](http://www.foxlakemo.com)
- [www.gravoisgardens.com](http://www.gravoisgardens.com)
- [www.oldfarmestates.org](http://www.oldfarmestates.org)
- [www.pleasanthollow.org](http://www.pleasanthollow.org)
- <http://rwcid.org/>



# Annual Reports



Annual reports can:

- Provide a permanent record of the association's activities
- Inform members about accomplishments
- Provide realtors and others with valuable marketing information

Annual reports generally include:

- A list of key accomplishments
- An overview of the association's finances
- Names of volunteers who worked for the association during the year
- Plans for the coming year

# Recruiting Volunteers



## Popular recruitment methods

- Personal invitations, special mailings
- Newsletter articles and announcements on your web site

## Recruitment techniques

- Link talents and interests to association needs
- Clearly explain volunteer duties

## Keeping volunteers motivated

- Stay in touch
- Thank volunteers publicly and often
- Make volunteer work fun

# Community Building

In order to help build community in your subdivision, the board must:

- Set a tone that is light-hearted and fun
- Collaborate with the community at large
- Build community traditions
- Help others in need



# Budgets

Board members are responsible for managing the association's finances

- Protect assets
- Budget responsibly
- Plan for the future



# Maintaining Financial Records

The following list contains an approximate time that association records should be kept before they are discarded:

## Permanently

- Audit reports
- Federal and state income tax returns
- Personal property tax returns
- Minute books
- Deeds and other property records
- Budgets

## 7 Years

- Bank statements
- Deposit tickets
- Canceled checks
- General ledgers
- Cash receipts

# Maintaining Financial Records

## 3 to 5 Years

- Insurance policies (no longer active)
- Contracts (no longer active)
- Vendor invoices

## 3 Years

- Bank reconciliations



# Insurance

Insurance helps offset property, liability, net income, and personnel exposures to loss that all subdivision associations face.

Three types of insurance:

- Property insurance
- Liability insurance
- Directors and Officers (D&O) insurance

# Selecting Contractors



Subdivision associations hire contractors on a regular basis to provide a wide range of services, including maintenance services, legal services, and financial services.

Bid specifications for contractor work should include:

- Who are the parties to the contract?
- When must the work be completed?
- How and when will payments be made?
- Who is responsible for damage to property or people?
- How much insurance is needed?

# Professional Property Management

- A professional property manager will help the board preserve assets, maintain property values, establish continuity, and provide assistance with operational and financial matters.
- The Board of Trustees sets policy and establishes a direction for the association while the manager sees that the policies are implemented
- The subdivision's size, amenities, facilities, and budget determine the type of management your association needs.

# Professional Property Management



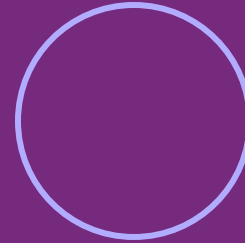
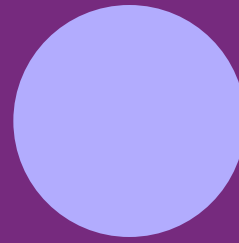
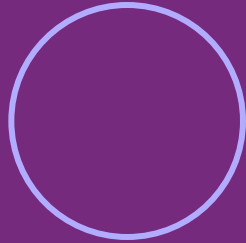
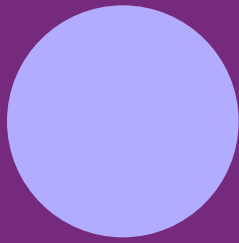
Duties of professional property managers may include:

- Collect annual and special assessments
- Mail out notices and coordinate association meetings
- Inform trustees of changes in relevant laws and ordinances
- Prepare financial reports
- Manage the day-to-day operations
- Place liens on homes for failure to pay annual assessments
- Retain an attorney to take necessary legal actions

# Professional Property Management

To find a professional property management firm to assist your subdivision, contact:

Community Associations Institute  
St. Louis Metropolitan Chapter  
6614 Clayton Road, Suite 116  
Richmond Heights, MO 63117  
(314) 291-8855



# Question and Answer Session

# Contact Information

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