

Community connection

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FirstService Residential Minnesota President

Dear Clients,

Please join me in congratulating our 2023 class of Vision Award nominees through the Minnesota Chapter of the Community Associations Institute (CAI-MN). This prestigious, peer-nominated awards program recognizes the best of the best in the HOA industry. FirstService Residential received an impressive nine nominations this year with three award winners. Congratulations also goes to Greg Nelson, who was recently elected to the CAI-MN board of directors.

When I joined FirstService Residential Minnesota, I knew I was walking into a special situation – rich with an exceptional team, inclusive culture and a steadfast commitment to social purpose.

In this edition of Community Connection, we proudly showcase our many social purpose initiatives throughout 2023.

You'll also learn about VIVE, a third-party vendor verification provider that FirstService Residential has partnered with to ensure we are recommending only the best vendors to our client associations.

And because it will eventually snow, we've featured a couple of informative seasonal articles addressing snow removal and ice dams to help you prepare.

Finally, you'll discover how our "heart-of-house" operations team is constantly striving to increase our responsiveness to you, our valued homeowner clients.

On behalf of the 550+ teammates at FirstService Residential Minnesota, best wishes for a joyous holiday season and a healthy and prosperous 2024!



Broc Coen
President | FirstService Residential Minnesota



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President - Minnesota



Social purpose

2023 MN Social Purpose Wrap-Up

FirstService Residential prides itself on our commitment to our clients, our associates, and our communities. We believe that it is our responsibility to advocate for and actively support the people and the causes we believe in and, in so doing, we create an environment for all that encourages diverse perspectives.



Kelly Stevens
Director of Training
& Organizational
Development

We have heard from our associates that it is important to them to be part of an organization that embraces social purpose as part of our company culture. Our associates enjoy the opportunity to engage and to make a difference that goes beyond their daily roles to make an impact on the world around them. As we wrap up 2023, we wanted to take a few minutes to look back on our year and the wonderful opportunities we have had to grow together as a team as we embraced *Our Social Purpose*.

Our Social Purpose Diversity Pillars for 2023 included recognition of and conversation and events around:

- Black History Month
- Women's History Month
- Pride Month
- Mental Health Awareness Month
- Hispanic and Latino Heritage Month
- Native American History Month
- Veteran's & Military Families Month

Through our *Culture Crew Chronicle*, a periodic newsletter dedicated to information, engagement, and connection around our pillars, we shared our associates' stories, learned a little, celebrated a little, won some prizes, supported businesses, and started the conversation around topics important to our diverse associate and resident groups.

But it was the opportunities to volunteer, to connect, and to serve that made the year one to remember:

- We participated in 3* panel discussions, facilitated by FirstService leaders and associates alike, sharing their unique stories and personal leadership journeys through their diversity stories (*PRIDE; Latino Heritage; Military Challenges).
- We had some amazing potluck lunches, sharing the foods of our heritages—or sometimes just pizza and treats—over which we kept the conversations going.
- In April we volunteered for the St. Paul Citywide clean-up.
- In May we celebrated Mental Health Awareness, continuing the conversation around the importance of self-care and opening up about mental health with activities designed to relax, focus, and center our very busy associates.
- In June we participated in a Fun Run for PRIDE.



Social purpose cont.

- In August we walked for SAVE (Suicide Awareness Voices for Education), for which FirstService Minnesota was a sponsor and our associates raised more than \$500.



- We finished out August sponsoring an amazing National Night Out celebration in the Mill District, providing food and raising funds through our vendors to support the communities that our residents call home.
- In September and October we participated in two builds for Habitat for Humanity, helping to construct new houses that will provide deserving families a place to call home.
- In November we kicked off our 17th Annual Toys for Tots Drive, collecting toys and donating funds to brighten the holidays of children and families in need.
- In December we volunteered with Feed My Starving Children—our group packing a quarter of the meals packed the whole night.
- And to close out the year, we will mark December with recognition of the many holidays and observances – both secular and non-secular – that are important to our amazing, dedicated, and diverse associates.

It has been another amazing year here at FirstService Minnesota with opportunities to connect, to learn more about one another, to engage, and to serve. Wishing you all a joyous and peaceful holiday season and a happy and prosperous New Year!



Industry focus

FirstService Residential Partners with VIVE

As condominium and homeowner associations heavily rely on third-party vendors to provide a wide range of services at any given time throughout each year, FirstService Residential understands the critical importance of selecting vendors that will complete the involved work with the highest level of quality, do so at a fair price, and also ensure the protection of the association from any potential risk exposure related to the project. To that end, FirstService Residential has partnered with third-party vendor verification provider VIVE to ensure that we are recommending only the best vendors to our client associations.



Todd Harcharik, SCLA
Director, Risk Management
& Compliance -
North Region

VIVE is the exclusive service provider with whom FirstService Residential has partnered relative to the vetting and validation of third-party vendors. The team at VIVE maintains robust processes and systems to ensure that the third-party vendors recommended by FirstService Residential are duly qualified to carry out business in their respective fields, are in good standing with the Minnesota Secretary of State, and either meet or exceed strict insurance requirements to ensure the protection of our client associations. Whether related to ongoing or completed work, at no point should an association face potential risk exposure as a result of the negligence of a third-party vendor. Quite the opposite, every third-party vendor should be indemnifying an association for the vendor's ongoing and completed operations, and that indemnification starts with adequate insurance coverages and limits.

By ensuring that a vendor either meets or exceeds specific insurance coverage and limits requirements for the involved services to be performed, FirstService Residential and VIVE are able to provide peace of mind to our client associations that vendors recommended by FirstService Residential understand the importance of proper insurance protection against the potential risks inherent to the services that they provide. However, the benefits to our client associations extend even further.

As part of the VIVE registration and approval process, every third-party vendor is required by contract to add each client association as an additional insured on the vendor's liability policies of insurance, and also stipulate that the vendor's insurance policies will cover our client associations on a primary and noncontributory basis, with a waiver of subrogation in favor of every additional insured. In other words, every VIVE-approved third-party vendor must guarantee that their insurance coverages will step in to provide any necessary defense and indemnification of our client associations, and that at no point will a client association have to rely on their own insurance should an incident occur resulting from the third-party vendor's work. In today's risk landscape where third-party vendors are more often employing every possible measure to avoid contractual indemnification obligations, the VIVE Vendor Acknowledgment is an incredibly powerful means by which our client associations are able to ensure the necessary risk transfer and further protection of each association's interests.

When it comes to third-party vendors, the critical importance of proper indemnification and risk transfer cannot be overstated. Accordingly, the use of VIVE-approved third-party vendors can provide invaluable peace of mind to our client associations.

Seasonal focus

What to Expect When it Snows

By Wade Vrieze of Shwaders Lawn Care and Landscape, LLC

As winter approaches, it's important for communities and their board members to have informed expectations of their snow removal service. To truly understand what your community has signed up for, there are three service components each board should understand before winter services commence. These components are separated into pre-snowfall operations, live snow removal operations, and post-snowfall operations. There are many levels of service for snow removal operations, thus having a clear understanding of what your property is signed up for is paramount before going into the winter season. This begins with pre-snowfall operations.

Pre-Snowfall Operations

Long before snow season begins, it's important to know whether your property should be staked. This includes staking curb lines, sidewalks, mailboxes, gutters, etc., so your vendor knows where and how far to push snow. Next, it's vital to know where your vendor intends to push, pile, and stack the snow each snowfall. Don't hesitate to ask your vendor for a snow map before the season begins. It's also useful to know what type of equipment (truck, skid loader, etc.) will be used for removing the snow, and if/where on site this equipment will be stored. Finally, does your property require and pay for pre-treating freezing rain, ice, etc., with brine or another liquid-based product? Once you have a basic understanding of your property's pre-snowfall operations, you'll want to focus on the live snow removal operations of your vendor.

Live Snowfall Operations

Live snowfall operations should begin with communication between your vendor and your property manager so the association has a baseline understanding of what to expect for this specific snowfall. Each snowfall is different, and therefore

operations might be completed differently for each event. Some factors that affect snowfall operations include amount of snow, time of day, temperature, etc. For large snow events, it's important to know if you have an "open-up" clause in your contract, what amount of snow triggers the clause, and what an open-up consists of. Does your open-up only include main drive lanes or roads? Does it include one or two back-draws in driveways, shoveling, etc.? It's also important to know the timing of the snow removal. Most contracts will include time frames in which the vendor has X number of hours to get the work done. These time frames will probably differ based on how much snow falls during the event. Finally, you'll want to note the shoveling expectations. Most vendors will have shovel crews that come to the property independent of the plow crews, meaning they may visit the property before, concurrently with, or after the plow crews. Once the storm has subsided and the property has been fully serviced, the post-snowfall agreement shifts into relevance.

Post-Snowfall Operations

Many properties require post-treatments of salt, sand, etc., to prevent ice buildup. You'll want to know if your property automatically receives treatments or if this is on a per-request basis only. Many times, city plows will come in and leave snowbanks at the ends of driveways/entries, fill in mailbox clusters/stations, and block fire hydrants. Make sure there is an understanding of whether the vendor needs to come back to take care of these issues, and if this return service is included in the contract. Finally, during heavy winters, on (and off) site snow relocation might be required. It's important to have a price, plan, and budget for this added work.

As a board member, a thorough understanding of the specifications of your contract will ensure you know what to expect and how to communicate most effectively with your property manager and vendor, which in turn will ensure a smooth snow removal experience during the upcoming winter season.

Welcome new clients

FirstService Residential's Managed Portfolio Continues to Expand

The business of managing a homeowner association is getting more and more complex all the time. From properly handling the legalization of adult-use cannabis to securing adequate and affordable property insurance, homeowner associations and their boards of directors are encountering significant changes impacting the operation of their communities.

Because of these ever-increasing challenges, FirstService Residential has received an unprecedented number of inquiries from homeowner associations this year.

These communities – some self-managed – have been seeking a professional, experienced association management partner to help them navigate the constantly changing HOA climate.

To that end, FirstService Residential is extremely proud to welcome more than 40 new HOA clients to our Minnesota Family in 2023. We are truly humbled by the trust these clients have put in FirstService Residential and our skilled team.

Commencing during 1st quarter 2024, our Transitions Team is currently engaged with two of our newest management assignments:



Bailey's Arbor Townhome Association

A 626-unit townhome community, Bailey's Arbor was constructed on the former site of the Bailey Nursery in Woodbury. An arboretum-themed neighborhood, Bailey's Arbor residents have access to two pools, 7+ miles of walking trails, community gardens, tennis and basketball courts, playgrounds and numerous open green spaces.



Beachside 1 Homeowners Association

Constructed in the late 1970's, Beachside 1 is a 168-unit townhome community located north of Highway 62 off of Shady Oak Road in Minnetonka. The quaint Beachside neighborhood is within easy walking distance of Shady Oak Beach and offers proximity to nearby walking trails and parks.

Operations team

Creating Exceptional Customer Experiences

The operations umbrella at FirstService Residential encompasses several key “heart-of-house” functions, including Community Support Services (CSS) and Resident Support Services (RSS). Under the leadership of Bryan Vargas, Director of Operations - Midwest, the 20-member, full-time Operations Team provides integral customer service to our clients.

When homeowners have important questions or concerns about day-to-day life in their association, our Operations Team is typically their first point of contact.

Available via email, our RSS Team is comprised of local, specialized experts that work behind the scenes to help resolve issues pertaining to association living. Available Monday through Friday, the RSS Team is trained to quickly and efficiently answer a variety of incoming resident questions.

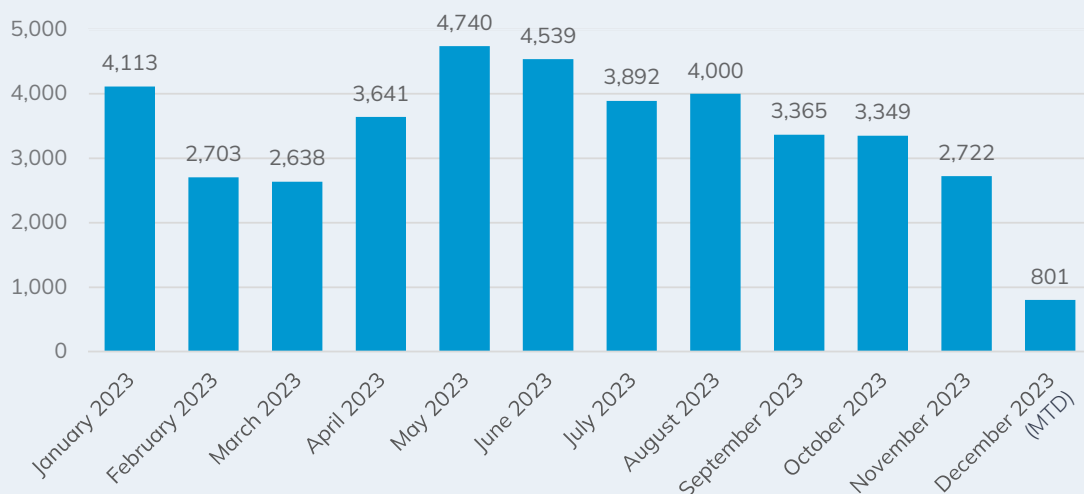
In 2023 alone, the RSS team responded to **19,514 unique homeowner inquiries** yielding **40,514 total resolved tickets** with an **average response time of one day and three hours**.

Our RSS Team supports our community managers by handling homeowner inquiries so the managers can focus on the fundamentals of property management. Community managers are also supported by our CSS Team, a talented bench of administrative support staff.

Operationally, FirstService Residential has evolved into a data driven company relying on business intelligence and analytics to measure how we are performing. We understand that speed of responsiveness is critical to the customer experience and we are constantly evaluating and making adjustments as needed.

In fact, our Minnesota Operations Team is leading a pilot program launching HODA, a new client-facing Homeowner Digital Assistant that will allow FirstService Residential to noticeably increase our homeowner response times. Powered by artificial intelligence, HODA is a 24/7 text-based, non-emergency communication tool that responds to resident inquiries automatically via text backed by our RSS Team as needed. In 2024, HODA will integrate with the Alexa device to further enhance our homeowners' digital experience.

RSS: Closed Tickets by Month



Seasonal focus

Dealing With and Preventing Ice Dams

What is an ice dam?

An ice dam is a ridge of ice that forms at the edge of a roof and prevents melting snow (water) from draining off the roof. Ice dams typically occur when heavy snow buildup melts during the day and then refreezes when temperatures drop overnight. After several days of melting-freezing cycles, it's common for the melted water and ice to work up under the shingles until water enters the attic and eventually does damage to the ceilings, walls insulation and contents. In cases where an ice dam goes unnoticed for an extended period of time, it can do significant damage to the building and its contents.

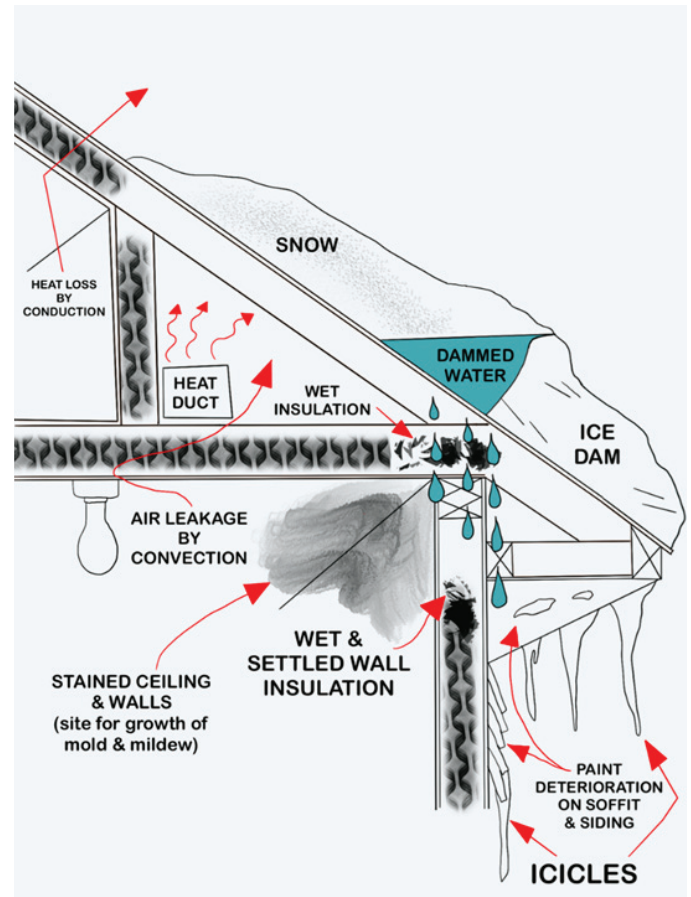
What causes ice dams?

Nonuniform roof surface temperatures lead to ice dams.

Heat loss from a house, snow cover and outside temperatures interact to form ice dams. For ice dams to form there must be snow on the roof and, at the same time, higher portions of the roof's outside surface must be above 32 degrees F (freezing) while lower surfaces are below 32F. These are average temperatures over sustained periods of time. For a portion of the roof to be below freezing, outside temperatures must also be below freezing.

The snow on a roof surface that is above freezing will melt. As water flows down the roof it reaches the portion of the roof that is below 32F and freezes. This causes the ice dam.

The dam grows as it is fed by the melting snow above it, but it will limit itself to the portions of the roof that average below 32F. The water above backs up behind the ice dam and remains a liquid. This water finds cracks and openings in the exterior or roof covering and flows into the attic space.



What causes different roof surface temperatures?

Since most ice dams form at the edge of the roof, there must be a heat source warming the roof elsewhere. This heat primarily comes from the house as heat travels to the roof surface in three ways: conduction, convection and radiation.

Heat loss by air leakage

In the diagram, the winding arrow beginning inside the house and going through the penetration in the ceiling, from the light fixture to the attic space, illustrates heat loss by air leakage. In many homes this is the major mode of heat transfer that leads to the formation of ice dams.

Seasonal focus cont.

Exhaust systems

Exhaust systems like those in the kitchen or bathroom that terminate just above the roof may also contribute to snow melting. These exhaust systems may have to be moved or extended in areas of high snow fall.

Chimneys

Other sources of heat in the attic space include chimneys. Frequent use of wood stoves and fireplaces allow heat to be transferred from the chimney into the attic space. Inadequately insulated or leaky duct work in the attic space will also be a source of heat. The same can be said about knee wall spaces.

How are ice dams prevented?

While there is no way to guarantee an ice dam won't damage your home, you can take steps to cut the chances of an ice dam forming in the first place:

- Thoroughly clean all leaves, sticks and other debris from your home's gutters and down spouts. This allows melting roof snow to flow into gutters and through down spouts.
- Keep a watchful eye on your roof. If you see significant ice forming on the eaves, that is usually a telltale sign that it is only a matter of time before that ice formation becomes large enough to cause damming of water and leakage into your home.

- Remove snow from the roof.
- Make the ceiling airtight so no warm, moist air can flow from the house into the attic space.
- Evaluate the insulation and ventilation in your attic. The R-value of attic insulation should be at least R-49. In addition, good airflow from under the eaves or soffit area along the underside of the roof and out through the roof vents is essential. The insulation prevents heat loss from the interior of the home. The venting allows the attic air to stay cold enough to prevent or minimize the freeze/thaw cycle on the roof.

This article was prepared by Steve Pumarlo, General Maintenance Manager at Gittleman Construction & Maintenance Corp. The content of the article and the diagram is attributed to the University of Minnesota Extension, "Dealing with and Preventing Ice Dams". If you want to learn more or are concerned about ice dams give Gittleman Construction & Maintenance Corporation a call at 952-567-6840.

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You'll hear from industry experts, financial and legal professionals about how to enhance your community's property values and resident experience.

Congratulations to our 2023 CAI Vision Award Winners



Congratulations to our winners, Abbey and Amanda. You work tirelessly for our clients and organization and this recognition is so well deserved. Mark's Lifetime Achievement Award is a true symbol of an outstanding career, the impact he had on the industry and the strong sense of community he created for our clients. We wish him all the best in his retirement and new adventures. To our winners and nominees, we are so proud to have you on our team.



Mark Gittleman

President - Minnesota
FirstService Residential

**Lifetime Achievement
Award**



Amanda Kelzenberg

Urban Vice President |
Community Management
FirstService Residential

President's Award



Abbey Lowenstein, CMCA

Community Association Manager
FirstService Residential

**Intermediate Professional
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