

MIAMI BEACH ASSOCIATION

P.O. Box 91 Old Lyme CT 06371
www.miamibeachassociation.com

DRAFT

PROPOSAL
NEW ADMINISTRATIVE STRUCTURE

INTRODUCTION

- The Miami Beach Association (MBA) is made up of owners of small generational cottages to multimillion dollar homes that expect our Board of Governors to protect our property values, our beach and provide the management of our community.
- Our MBA is not just a casual neighborhood group of homeowners. We are a Connecticut-Chartered Beach Association and a Special Taxing District. We collect taxes, we manage shared assets, and we are responsible for maintaining community property that directly affects every member's investment.
- The responsibilities attached to this type of structure are significant. The volume and complexity of the current work and the work to come (Sewers) now exceed what volunteer Board members, some still holding jobs or owning a business, can reasonably be expected to do or manage regardless of good intentions.

DRAFT

WHY CHANGE THE ADMINISTRATIVE STRUCTURE OF THE MIAMI BEACH ASSOCIATION

- The issue we are facing is not commitment — it is capacity.
- Like the past, some Board members have full-time jobs along with personal responsibilities and commitments. When operational tasks are assigned to individual Board members, they inevitably compete with those obligations. As a result, projects stall, maintenance is delayed, and some areas of our Association deteriorate or begin to look neglected.
- When that happens, it affects more than aesthetics — it affects property values, community pride, and our fiduciary responsibility as a tax district.
- Hiring a professional management company would not replace the Board. The Board would continue to govern and make decisions. A management company would simply execute those decisions — coordinating vendors, tracking maintenance, handling compliance, and ensuring that work actually gets completed.

WHY CHANGE THE ADMINISTRATIVE STRUCTURE OF THE MIAMI BEACH ASSOCIATION

- Consider the future of our Association under the current structure:
  - Deferred maintenance becomes more expensive.
  - Declining appearance affects property values and our ability to attract new property owners.
  - Volunteer burnout, or in our case the lack of volunteers and the current age of those who do volunteer, leads to turnover, instability and more importantly, liability for injuries that may be incurred in their volunteer work.
  - Lack of consistent oversight (i.e., depending on 1 or 2 volunteers to regularly check our Association) can expose us to legal and compliance risks.
- This is not to slight nor diminish any who volunteer for operational work. It is simply a fact of life.....REALITY!!!!

DRAFT

WHY CHANGE THE ADMINISTRATIVE STRUCTURE OF THE MIAMI BEACH ASSOCIATION

- Our Association exists to preserve the beauty, function, and value of our shared beach community. If we continue relying solely on volunteers to execute operational work or ensure operational work gets done, we risk gradual decline, not because anyone lacks commitment, but because that type of structure and dependence is not sustainable.
- Moving operational responsibility to a professional management company would allow the Board to focus on governance, budgeting, and long-term planning while ensuring that work is actually completed on schedule and to standard.
- We are beginning to see visible signs of decline in certain areas of the Association. All of us, especially our beachfront properties, represent significant personal investments. Protecting our investments requires consistent operational execution….not just good intentions. THAT SHOULD CONCERN ALL OF US.

DRAFT

WHAT YOU MAY BE THINKING

- Some Board members as well as some members (especially those whose ancestors have lived in this Association since its inception) may feel:
    - We've always done it this way.
    - It's too expensive.
    - We'll lose control.
    - This feels like criticism of the Board.
    - We can just try harder.
- **We've always done it this way.**
    - That's true — and it worked when the workload was smaller. The question is whether the current complexity still fits a purely volunteer model.
- **It's too expensive.**
    - We understand the concern. But we should compare the management fee against the financial impact of delayed maintenance, vendor inefficiencies, and property value decline. The goal is cost control through professional oversight. Initial research has determined the cost to be $34k - $38k for the entire year.

DRAFT

WHAT YOU MAY BE THINKING

- **We'll lose control.**
  - The Board retains full authority. The management company works at the direction of the Board. They execute; they do not govern
- **This feels like criticism of the Board.**
  - It definitely isn't. It is recognition that volunteers have limits. That is a fact and a reality in every volunteer, service organization everywhere. Strengthening our structure supports the Board — it doesn't diminish it.
- **We can just try harder.**
  - In some organizations this was referred to as 'Let's give it the ole' college try'. Effort isn't the issue. Structure is. If tasks consistently compete with our volunteer's careers, jobs, and family life, the entire system itself may need adjustment far beyond what a management company can do for us.

DRAFT

WHAT YOU MAY BE THINKING

- Let's be clear…hiring a management company is not a criticism of the Board. It is a structural improvement. **The Board would retain full authority and decision-making power**.
- Hiring a management company actually removes every single Board member from direct confrontation with members some of whom are personal friends. It does not prevent any member from submitting issues/concerns to the Board. These will come through the management company and guaranteed to be addressed and responded to.
- The management company would execute the Board's directives, handling vendor coordination, project follow-through, maintenance scheduling, compliance tracking, and administrative duties. This is about strengthening governance, not replacing it.
- The question isn't simply "What does it cost?" but rather "What is the financial impact of not professionalizing our operations?"

DRAFT

BENEFITS OF A MANAGEMENT COMPANY

- Brings time-tested and already proven processes and procedures for managing a large community.
- Ensures work will get completed once approved by the Board; no reliance on volunteers or board members to find the time to make calls or get the work done.
- Company is fully responsible to manage day-to-day operations without bias; everyone is treated equally and personal agendas become a thing of the past.
- Company is absolutely responsible and accountable to the MBA Board which is absolutely answerable to Association Members.
- Regular communication is guaranteed to all the members; not dependent on individual board members finding the time to communicate.
- Knowing that the operational structure of the MBA is in the hands of a Management Company may actually encourage members to become Board members. Their job on the Board is solely to set direction and approve projects for the Association. In simple terms.....It becomes more of a ‘thinking’ volunteerism rather than a ‘doing’ volunteerism.

DRAFT

COMPARISON CHART

Category	Volunteer-Execution Model	Professional Management Model
Governance	Board governs and executes	Board governs; company executes
Accountability	Dependent on individual availability	Contractual performance standards
Project Follow-Through	Competes with full-time jobs	Dedicated staff responsible for completion
Vendor Oversight	Informal, time-limited	Professional vendor management & bidding
Maintenance Scheduling	Reactive	Preventative & scheduled
Financial Reporting	Volunteer treasurer dependent	Professional accounting systems
Continuity	Turnover disrupts operations	Institutional continuity
Compliance (Tax District obligations)	Volunteer awareness dependent	Professional regulatory tracking
Risk Exposure	Higher (missed deadlines, oversight gaps)	Lower (systems and documentation)
Property Appearance	Inconsistent	Maintained to established standards
Board Burnout	High risk	Significantly reduced
Long-Term Cost	Deferred maintenance increases costs	Preventative planning reduces surprise expenses

ANTICIPATED NEXT STEPS

- Presentation to Board by a Management Company
- Presentation to the Members

DRAFT