

# MAHC MESSENGER

Editor-in-Chief

Randall Pentiuik, Esq.

## MONEY BAGS

This year, July had 5 Fridays, 5 Saturdays and 5 Sundays. This happens once every 823 years. This is called money bags. Based on Chinese Feng Shui.

This year we're going to experience four unusual dates.

1/1/11, 1/11/11, 11/1/11, 11/11/11 and that's not all...

Take the last two digits of the year in which you were born - now add the age you will be this year. The results will be 111 for everyone in whole world. This is the year of the Money!!!



## *Thank You for Another Successful Conference*

The Midwest Association of Housing Cooperatives recently completed another successful annual conference in Jacksonville, Florida. Over 200 Board members and Managers from over 50 Cooperatives made the trip. MAHC's commitment to education continued with the Key Note Speaker, Alex Miller of the Southeast Region and over 25 classes offered to members during a four day period. Classes included cutting edge topics like bed bugs, recent developments in Fair Housing Law, refinancing, effective meetings and recent developments in Coop law.

In addition to educating Directors and Managers on every aspect of running their coop successfully, MAHC once again offered certification classes. Participants can become Certified Cooperative Directors (CCD), Certified Cooperative Managers (CCM) or Certified Cooperative Maintenance Managers (CCMM). At this year's annual conference MAHC certified 16 new Certified Cooperative Directors and 14 new Certified Cooperative Managers! These certification classes can also come to you! Those interested should checkout MAHC's website for more details - [www.mahc.coop](http://www.mahc.coop).

Through the success of our annual conferences and MAHC's continued investment in excellence in education, we have taken our show on the road with 1 day seminars in Michigan, Illinois and later this year - Kansas! As we look to boost enrollment and strive for excellence in education we look forward to continuing to find affordable locations for MAHC members to hold the annual conference. Next year - San Diego!

## NEWLY ELECTED MAHC BOARD MEMBER

### James Pierson

Mr. James Pierson has served on the Fountain Court Board for many years and has been President since 1992. MAHC's newly elected Board Member says it was attending the MAHC conferences that drew him into his current level of involvement. "Through annual conferences and continued support, MAHC prepares all its Board Members to work their Cooperatives through top notch service. The knowledge is presented very simply and if you attend and participate I guarantee 200% you are going to walk away with a better understanding of what coops are all about," says James, who hopes to begin teaching at next year's event.

James has enjoyed membership at Fountain Court Cooperative since moving in July 10, 1980. As a single parent, he was initially drawn in by the affordability but instantly connected with his neighbors. James especially appreciated the on-site maintenance which enabled him to keep up a busy schedule. "Family fun day brings very fond memories to mind, all the Members having a big picnic with music, entertainment and raffle drawings. It's a time to just celebrate life," says James.

James describes himself as a team player and intends on bringing new positions to his Cooperative, keeping in mind the greater good and always working on understanding the future of housing. He plans on letting the world know about Cooperative living and why it's needed today more than ever.

Our newest Board Member wants to distribute education around cooperatives, because he believes if we had more cooperatives, perhaps we wouldn't be in the housing crisis we're faced with. To anyone not taking advantage of what the Midwest cooperatives offer, "I would tell them to move! It's the easiest way to formally own a house and you get the same tax write off at the end of the year," says James.

James admires MAHC for allowing professionals to be on board working with all its members. "We all walk different paths and it's great to witness lawyers and doctors working side by side with waitresses and clerks. There is no hierarchy when everyone is appreciated for their unique skill set," says James.

James believes in Cooperative living, and remembers to toast often, "MAHC today, MAHC tomorrow, MAHC forever."

## PRESIDENT OF BLACKSTONE COOPERATIVE

### Will Caldwell

Will Caldwell, President of Blackstone Cooperative and Board Member for 20 years, was selling BlueCross health insurance over 20 years ago when he was first introduced to MAHC. Incidentally, Will met the mother and father of Ralph Marcus, Blackstone Cooperative's Manager. After talking with the couple regarding different ways to cut costs in healthcare, they developed a relationship and recommended him for his first board position. Will immediately began researching financial operations of a Cooperative in a quest to be an educated, well-rounded addition to his Board.

“Board member training is a priceless resource for us to become more well-rounded and give us ideas to bring back to our community,” says Will. “One year we would go to the national conference and one year we'd go to MAHC, but MAHC is more geared toward information that I can bring home to my co-op, more innovative and informative.” Will appreciates the types of classes that MAHC offers, because every year it's different and refreshing. He takes conference classes quite seriously and usually fits 8 classes within 3 or 4 days because, “I want to contribute to our co-ops being #1!”

When asked what makes Will's Cooperative advance, he replied, “Ralph Marcus. We don't like to change people; Ralph Marcus has been managing Blackstone since 1975. He goes above and beyond and makes Blackstone work by being an excellent individual at every area.”

At one of the recent MAHC Conferences Will and his team took home three ideas from the classes they attended and implemented all of them within the last year.

“MAHC did a conference on security which really hit home. That class helped us make security our #1 priority at Blackstone after we endured issues with crime,” says Will. The Co-op altered several things such as purchasing additional lighting and changing security from unarmed to armed. Will is happy to report that crime has been down about 100% and plans making certain that the current status remains.

The second idea came from a class on “Marketing your Co-op in a down economy”, which the cooperative focused on after security. On open one-bedroom units, Blackstone offered one month's complimentary carrying charges to encourage new activity. Members who lived in the co-op and referred a new member received 1 month free carrying charges. Advertisements were also increased but now made clear the co-op was not an apartment. The Co-op made itself distinct by titling ads, “Why rent when you can buy?” Vacancies went from 15 down to 8, and Will says the new implications are continuing to work well.

The third idea Will says was brought back from last year's MAHC conference was a goal to build stronger relationships between the Board of Directors, the Management Company, the Staff and the Shareholders. The co-op puts on different mixers such as weekly Bingo night and day trips in order to encourage friendships as opposed to rankings and division.



# Bed Bugs

## A Fact We Have to Deal With



At the MAHC annual educational conference in Jacksonville, Florida, a session was given on bedbugs. Just the subject we all want to deal with, right? But one that is a reality that many Cooperatives as well as rental properties, nursing homes, group homes, hotel, motels, and other multi-unit properties are dealing with all over the world.

This session was packed with people trying to get facts to help them make decisions concerning the problem. As well, as we deal with the nuts and bolts (or people and pests) it is necessary to understand what States, Cities, and Government Agencies are doing to mandate certain requirements as to treatment, training, and policies concerning the issue.

A lot of information was given out as to how to identify a problem as well as a brochure developed by the State of Michigan to give members, a pamphlet of information to distribute to members to educate them what to look for and how important it is to report problems, and a CD was given to all participants to use for staff training and policy writing for each property. This CD contains over 50 pages that were also from a policy that the State of Michigan has adopted to use for training personnel about the bedbug problem.

The two important elements that we wanted class participants to take away from the session, was that it is absolutely necessary to get a written policy in place concerning how the property handles the invasion, what form of prevention is to be used, how to educate the residents and inform them of the property guidelines as to reporting, preparing, and possible payment of the services needed to eradicate the bedbug problem. The other necessary element is that you must educate the staff as to their role in being able to inspect, identify, and help eradicate any problem. So everyone attending left with the tools to combat the two areas of concern: policy and education!

The Department of Housing and Urban Development is preparing to include in its REAC inspection process any disclosure by the property of any bedbug infestation your property has had as well as the inspector will ask if any units that are selected to be inspected have had a problem and may choose to not enter that address.

If you are subject to a Management Review by your agency, either HUD or state agency, you will need to have documentation of training for employees and residents, documentation of units where there was or is a problem, as well as documentation from your pesticide provider as to what treatment has taken place.

Again, the task at hand is to use as much as possible an “integrated Pest Management System” that includes inspection, education for members, types of treatment, training for employees, and documentation for anyone that requires it.

*Marlene Dau, President of Tailor Made Property Services, Inc.*

# 2012 MAHC Conference

May 20th - 23rd

# San Diego!



# An Excerpt from 101 Ways to Improve Your Cooperative A Law Primer

By: Randall A. Pentiuk, Esq.

## CHAPTER ELEVEN: PRESERVING THE CORPORATION

This section looks ahead to the future viability of the Cooperative and the measures that today's Board can take to ensure that your corporation enjoys a bright and long future.

82. Be aware that there are forces that are hungry to get their hands on your property to transform the Cooperative into other forms of housing, most notably condominiums. If the Board and membership are truly committed to remaining a cooperative form of housing or, in the case of affordable housing cooperative, there are steps to take that will thwart efforts to convert the Cooperative. The Cooperative Attorney should provide guidance in this area, which includes amending the governing documents to require a very high vote to alter the form of your Cooperative, and recording a deed restriction in the chain of title that limits the opportunity to convert.
83. Keep the Cooperative competitive with surrounding housing. After the HUD mortgage is paid off, the Board has an opportunity to seek refinancing in order to freshen up and improve the appearance of the property by doing a community-wide renovation of such items as doors, windows, cabinets, and other fixtures. Since you will not be paying the HUD mortgage, that frees up funds that can now be used to pay a new loan. The Management Agent, in conjunction with the Cooperative Attorney, works with lenders to arrange for that financing and then assist the Board in securing a qualified contractor to perform the work.
84. It should be noted that if the Cooperative refinances, there is a commitment to refrain from any actions that fundamentally change the form of home ownership. This, in effect, ensures that the Cooperative will not undergo a conversion to condominiums, or move from limited equity to market rate, for the duration of the loan. In other words, it is a back-door way of preserving the Cooperative form.
85. Once the HUD mortgage is paid off is the time to have a title search performed to make sure that all liens and encumbrances are extinguished. It is often surprising to Boards to learn how "clouds" are placed on the title and should be addressed by the Cooperative Attorney and cleaned up. This needs to be done

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85. sooner than later, since it often requires obtaining signatures of people and it becomes complicated and costly if they have died.
86. The event of the HUD mortgage payoff also presents the opportunity to take a look at the governing documents. It is wise to remove references to HUD since it will serve to confuse future members.
87. While the Board is examining the bylaws and other governing documents in the post-HUD era, you have the occasion to look at other areas that should be addressed. One example is the transfer value table which typically only runs through the fortieth year of the Cooperative's existence. There must be provision for future years, and careful consideration given to how much the annual increase should be. If it is too high, it may price the Cooperative out of the market for competing forms of housing.
88. This post-HUD examination of the governing documents also affords the Board the opportunity to make other changes as necessary to clean up problems experienced over the prior forty years. These include:
  - Quorum requirements for membership meetings
  - Use of absentee ballots
  - Election procedures
  - Voting requirements and procedures
  - Providing for estate planning trusts
  - Proxy procedures
89. Once the Board has gone through the governing documents, the amendments need to be presented to the membership for approval, which usually requires a majority of all the eligible members. This can be a challenge so careful planning needs to take place with the assistance of the Cooperative Attorney. Creative

An Excerpt from  
**101 Ways to Improve Your Cooperative**  
**A Law Primer**

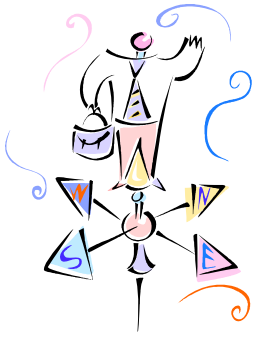
By: Randall A. Pentiuk, Esq.

89. ways of securing the high number of votes should be considered. You must find ways to educate the members in a way that allays concerns and fears that they are somehow giving up some rights.
90. When the amendments are ready, a special or annual membership meeting needs to occur wherein these document changes are presented for vote. As noted above, this requires special planning to bring out the vote. Incentives may be necessary, such as drawings for free carrying charges and other gifts. You may need to consider calling the meeting and then recessing to allow day long voting before reconvening the count the votes.
91. Special care must be given to the notice of the meeting, the attachments, and the timetable for sending out the notices and proposed documents. The Cooperative Attorney should provide guidance to ensure that all of the existing bylaws and state corporate laws are strictly followed.
92. In addition to the foregoing list of revisions to the governing documents, have the Cooperative Attorney bring the Board all of the new developments in state corporate law. Much is changing in this area, in order to make conducting meetings easier, as well as providing protections to volunteer directors and officers from personal liability. For example, emails are being recognized as a legitimate way of communicating, and meetings of the Board may be able to be conducted via conference calls.

**If you would like a copy of**

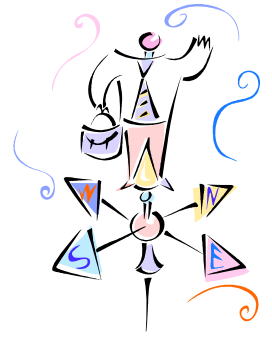
**“101 Ways to Improve Your Cooperative”**

**Please contact Randall Pentiuk at [rpentiuk@pck-law.com](mailto:rpentiuk@pck-law.com).**



## **LIFE CHANGES**

By Patricia Walter, Author



“Life changes, goes up and down, you never know until it comes around. We try to smile, through good and bad, depend on friends to keep away sad. The journey is long, the road is rough, faith and hope will be enough. Don’t waste a day in anger or regret keep joy in your heart your needs will be met.”

I wanted to share this poem with my fellow board members and all coop’s in the US and Canada. With the condition of things in the world today we all are facing challenges we never knew before. I feel it is important for us to be positive in mind, body and spirit.

I’m reaching out to all coops especially Indiana, Ohio, and Kentucky. I point them out because I am responsible for these three states. I have mailed out 36 mailings to the board of directors in these states, if you did not receive them it’s because your office staff did not pass this information to the board, remember they work for you. MAHC is working hard to educate the board of directors with the tools necessary to function as a successful housing business. You are doing your coop a disservice if you don’t take advantage of the education we have to offer. MAHC is here for you, let us hear from you tell us what we can do to help you move to the top of your potential.

This is a personal invitation for you to visit our website post your comments, suggestions, ideas, hopes, and dreams. We have to start some place, why not here and now.

Respectfully submitted

Jennifer Rhodes

## Professional Profile

*A regular feature of the Messenger where we profile one of our professional members*

# Unified Management Services

Boasting over 30 years of experience and currently overseeing more than 10,000 apartments across 4 states, “Unified by numbers” indeed fits for this company’s slogan. Unified Management Services is on a mission to consistently exceed the property management expectations of the property owners and residents who they work for. But how? President, Kathy Sinicropi, says it’s “the depth of our relationship with our clients that really sets us apart. Everything we do is focused on the people we serve. Many companies have strong professional relationships; we have strong personal and professional relationships”. The company’s management philosophy is described as “servant leadership!” meaning a philosophy and commitment to hire the very best. “We aim to lead, train and support these employees at the very highest level. By doing this we insure that the members and Board Members at our communities are provided the best service in the industry,” says Kathy.

Unified Management Services was started 38 years ago when the company’s founders were dissatisfied with the quality and commitment of the management at the Cooperative where they resided. Their strong belief that they could provide a much better service has been the cornerstone of the business ever since. While Unified manages most types of multi-family communities, Cooperatives remain the essence of who they are.

Unified Management’s relationship with MAHC began with a commitment to be industry experts in Cooperative housing. The education and support provided by MAHC has been, and continues to be an incredible resource for the company’s employees, Board of Directors, and members.

# Carolyn Jackson

## MAHC Office Manager

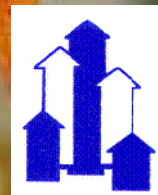
Carolyn Jackson has been with MAHC for a strong 10 years. She was retired from a Health and Safety position with General Motors, when she began helping out by answering the phones in the main office. Carolyn, when asked how she got involved in this position said, “They needed someone to do it, so I did it”. Soon enough, she had taken on every clerical duty you could think of in addition to handling the organizational duties of the annual conference while simultaneously sitting on her Board of Directors in Romulus, MI. Not quite the relaxing life style most people envision for retirement.

Her interest in Cooperative living began when she was renting an apartment. The economical benefit was what first brought her to a Co-op, but the real advantage was realized when she began to feel a sense of ownership she didn’t even know she was missing. Carolyn now says the thing she cherishes most about living in a Co-op is participating in a weekly Bible study class with a consistent group of forty close friends.

Carolyn consistently credits just about everyone but herself, so it’s no surprise when her advice to Board Members and Directors is just to perform duties for the sake of those who it affects the most. She also thinks the best thing a board member can do is truly *listen*. Ever the optimist, Carolyn wants MAHC to reach out and educate more and more people, as she feels every renter, if they just knew what a co-op was, would no doubt see it meant living a richer life. We can all learn from this devoted Member’s honesty and humility, and I suspect everyone around her already does.

**Thank You for your continued  
dedication and service!!**

**2011  
Certified  
Cooperative  
Director  
Course  
In  
Michigan**



**October 7-8, 2011**



### Description of Certified Cooperative Director (CCD) course

This Course is designed for all Board of Directors, Committee Members, and/or Members that want and need the components that drive the operations and oversight of the Cooperative Corporation.

The (CCD) course is a course that covers everything from the history of Cooperatives, Corporate Law, to Ethics in the Board Room.

Additional topics covered will be budget's, audits, financial components, marketing and managing of your Cooperative. This list is only a piece of this comprehensive program which MAHC has endorsed. Each individual who completes the course and passes the test will be given a certification of completion.



**Sponsored by:**

MAHC

Branford Townhouses

Georgetown Place



**Hosted by:**

Branford Townhouses

9775 Pine Street

Taylor, Michigan 48180

Phone: 313-292-0810

**Friday October 7, 2011**

**9AM- 6 PM**



### Hotels within Minutes

- **Comfort Inn**~ 313-292-6730  
6778 S. Telegraph  
Taylor, MI 48180
- **Ramada Inn**~  
734-283-2200  
20777 Eureka Rd  
Taylor, MI 48180
- **Super 8**~ 734-283-8830  
15101 Huron St  
Taylor, MI 48180

Many more located near  
Metro Airport



### **3 Casinos within 17 Miles**

When you step into a Michigan casino, there is a feeling of electricity that sweeps over you. The thrill of the lights. The rush of the cards. The sound of the slots. And it doesn't stop at the Michigan gaming tables.

Casinos in Michigan are also known for their five-star restaurants, live shows and exhilarating nightlife, which help keep the evening fully charged. Whether we like the big city or choose to be surrounded by nature, Michigan casinos are premium choices for Michigan gaming!

Looking for  
ways to  
have FUN  
after class

Here are three:

Greek town

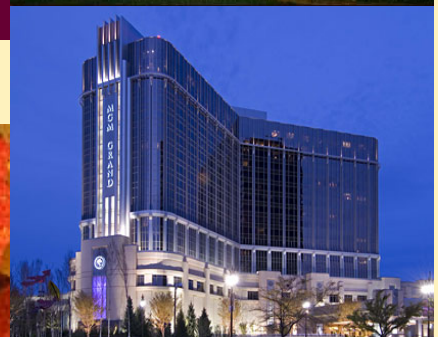
Casino

MGM Grand

Casino

MotorCity

Casino





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**FUN  
FAST  
FACTS**

The “pound” (#) key on your keyboard is called an  
OCTOTHORPE

Crickets hear from their knees and they  
chirp from their wings

You can't HUM while holding your nose

“Q” is the only letter in the alphabet that does not appear in the name of any of the United States

Your FOOT is the same length as your  
FOREARM

Your HAND is the same height as your  
FACE



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