



# KATE HIGHTSHOE



**2018** National Manager of the Year Contest  
Photo Essay



# 111 CITY LOFTS: A YEAR OF TRANSFORMATION

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In October 2016, I received an RFP for 111 City Lofts OA, a 64-unit upscale condo located in downtown Des Moines and an industry jewel. Des Moines only has few dozen condo OA's and opportunities for management are rare. Shareholders are typically sophisticated and desire building long-term relationships. If given the chance, I knew I would have to execute quickly and accurately. It's one thing to win the job, another to keep it. After two property tours



and a written response to 45 questions, I received the phone call I was waiting for. I was awarded management beginning January 1, 2017.

I learned that this was no ordinary project and would offer both challenges and opportunities. The architect and member of the investment group, Verde Partners, is a resident at 111 and deeply involved. With 20 remaining units for sale, the OA would remain under Developer control. Additionally, Verde Partners works with a private Real Estate consultant based out of Chicago, Freeman Enterprises, to manage property management. Initially condo owners were not unlike many homeowners still under Developer control; anxious about the future of their homes. I had my work cut out for me!

On January 2nd, Freeman Enterprises and I began working through my proposed management plan. I found that Freeman Enterprises was an industry savvy, big city pro firm with high expectations. The prior year was the first year the Developer retained third-party management with one of our competitors. The experience had been less than satisfactory which helped to explain some of the skepticism I observed.



## THE OA WAS OVERPAYING FOR NEARLY 90% OF THE SERVICES THEY WERE RECEIVING.

My first step included a top to bottom facility assessment with my building engineers that included the rooftop (HVAC, chillers), stairwells, trash chute and electrical closets, mechanical room (boilers and water heaters), elevators, storage spaces, lobby, hallways, parking garage, trash

enclosures, and exterior common areas. Simultaneously, I had accounting work with the assistant property manager and Freeman Enterprises to upload the 2017 budget into the system. Bank accounts were established and requests made from prior property management for all preexisting contracts.

During the facility assessment, we took notes and discussed issues, cost, urgency, and plugged each item into either a short term or long term solution matrix. I reviewed every contract and created a spread sheet that included current vendor, terms, services, and cost. I then created a RFP list for each vendor service. Although there were a number of maintenance and wish list items that needed addressed, the first priority was to mitigate spending. The OA was overpaying for nearly 90% of the services they were receiving. I knew that if I could quickly prepare and distribute RFP's for services, I could immediately begin to save the OA money which would not only assist in funding the laundry list of deferred maintenance projects, but begin to establish trust, credibility and create value.

*L.E.D. upgrade common area lighting project.*





*Garage sweeping and striping.*

By the end of Q1, I completed a competitive RFP for services and successfully achieved tremendous results. I negotiated the monthly elevator maintenance contract to a 5-year fixed price term. The association was paying \$750.00/month. The new contract price was \$522.00/month saving \$228.00/month, \$2,736.00/year and a total of \$13,680.00 over 5 years. I also negotiated the weekly trash service at \$290.00/month from the previous \$598.00/month creating a monthly savings of \$308.00/month, \$3,696.00/year and \$18,480.00 over 5 years.

I negotiated the building cleaning contract to include grounds trash pick-up which had not been included in the past scope of work. The new contract included 7-day/week service for the same price as the prior cost for 5 days of service. From a value perspective, the opportunity cost that I was able to realize on behalf of the association was likely in the ballpark of \$500.00/mo. The new cleaning contract was designed to also assist the Developer in sales efforts and common area curb appeal.

I negotiated snow removal as a lump sum flat rate contract for the season regardless of hours spent, inches of accumulation or number of pushes. The contract executed was a fixed rate 2-year contract. Previously, snow removal was charged at an hourly rate which is impossible to track without major disputes. The new flat rate not only eliminated financial variances but the potential of a snow special assessment. I negotiated the exterior window washing as a biannual 2-year fixed price contract as well as the

*Bi-annual exterior window washing.*



**I NEGOTIATED THE BUILDING CLEANING CONTRACT TO INCLUDE GROUNDS TRASH PICK-UP WHICH HAD NOT BEEN INCLUDED IN THE PAST SCOPE OF WORK.**

garage sweeping and striping. Between the two, I created an additional annual savings of \$1,200.00/year, \$6,000.00 over 5 years.

People were pleased to say the least. Additionally, I led the quest in fulfilling the duties of a great association manager and the promises I made to the homeowners from day one. A number of value-added and past due improvements were made through the successful completion of projects based on prioritization from the initial building analysis.

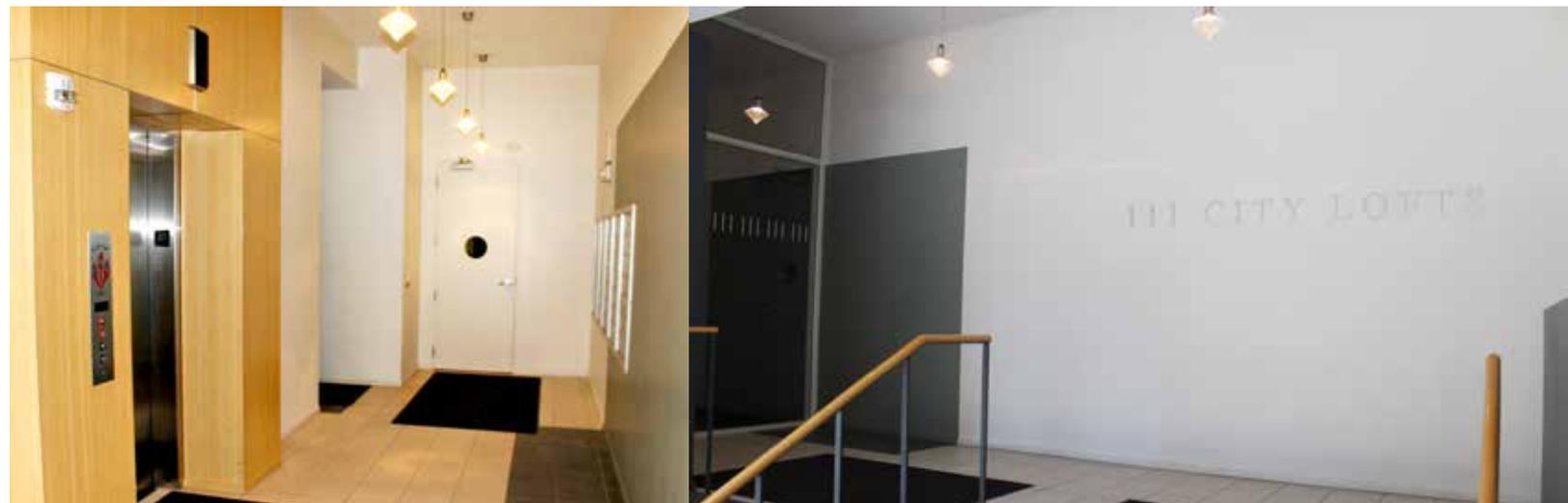


*Stairwell painting project.*

The entry keypad was unprogrammable creating logistical nightmares. I found

ladders and cans of stacked paint in doorways and in front of utility access areas that were remedied. The trash enclosure was damaged causing the door to remain open. The OA tried for a year to have repairs done. Repairs were completed by end of Q1. The storage lockers were in complete disarray. I worked with my team to send out communication, schedule resident appointments to review locker assignments, scheduled cleaning and donation pick-up of unclaimed items. I found failed elevator inspections that had not been rectified and expired fire extinguishers, burnt out emergency generator back up lights, energy inefficient common area hallway lighting, and deteriorating hallway light fixtures that are now out of production. Solutions have been implemented successfully for all!

*Building cleaning improvements.*





**AS A PASSIONATE AND DEDICATED ASSOCIATION MANAGEMENT PROFESSIONAL, I CAN SAY WITH CONFIDENCE THAT THE 2017 YEAR WAS THE BEGINNING OF WHAT I ANTICIPATE TO BE A LONG TERM RELATIONSHIP**

As a passionate and dedicated association management professional, I can say with confidence that the 2017 year was the beginning of what I anticipate to be a long term relationship. Through a number of various activities, I created over \$30,000.00 in savings a year for 111 City Lofts OA. Freeman Enterprises was happy to renew the management agreement, and I've already hit the ground running for another productive year in 2018.

