

MEMORANDUM

Nancy Kerry
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To: Board of Directors, Somerset Owners Association
From: Nancy Kerry
Re: Project Update: Analysis of Management Options
Date: June 30, 2021 Board Meeting

Management Options Review

Based on direction by the Board of Directors in May 26, 2021, the following steps were undertaken to implement the Board's direction in accordance with the recommendations from the Management Report.

Association Insurance

- For comparison of the cost of internal management as to outsourced management, and for comparison of insurance rates SOA is currently paying, insurance brokers were contacted to provide quotes for insurance to the SOA Board of Directors.
- Communications between Consultant and FSR onsite staff were initiated to retrieve copies of all insurance policies currently protecting the SOA; loss runs were also requested and provided.
- The SOA's former broker was reached who provided background and history as to the previous processes for obtaining and maintaining the Association's insurance requirements.
- Currently, proposals for insurance services are pending. Proposals are expected from more than one company covering:
 - General Liability
 - Directors and Omissions
 - Crime and Fidelity
 - Property
 - Workers Compensation and personnel (Currently, the SOA is not required to insure the employees of First Service Residential; coverage for employees under an internal structure are being sought to compare costs);
 - Umbrella insurance (additional insurance beyond required levels).
- Proposals have been requested to be submitted providing options for service levels.
- Once received, they will be scheduled for review by the Board at the next Board meeting, which is expected to be July 28, 2021.

Association Management Proposals

In accordance with direction provided by the Board of Directors at the May 26, 2021 meeting, a Request for Proposals (RFP) was prepared and later released on June 16, 2021 inviting proposals from management firms who desire to be considered for providing management services to the SOA.

The RFP was emailed to numerous management firms in Nevada and posted on the SOA's website under a new tab: Request for Proposals.

Several management companies have verbally responded with their intention to submit a response by the deadline (July 16, 2021).

Proposers are required to submit their Proposal to the Board of Directors by personal delivery or mail to the Town Center c/o Board of Directors. Proposals will be collected and distributed to the Board of Directors for review – absent any financial information or costs for services, which must remain confidential until opened at the Board of Directors meeting.

The Board will have an opportunity to review the proposals (without financial information) before the July 28, 2021 meeting. The Board is also encouraged to make the proposals available to the community through posting on the Association's website.

The Board may wish to agendize a discussion regarding review of proposals for their July 28, 2021 meeting; and, should any of the Proposers interest the Board they are encouraged to schedule a subsequent Board meeting to interview those firms, if any, they may wish to explore further.

Accounting Proposals

Similar to the insurance and management proposals, one or more solicitation of proposals from firms interesting in providing accounting services, including the migration of data, and proposals for software accounting systems will be released following the receipt of management proposals and obtaining feedback from the Board of Directors. Many management companies utilize their own accounting systems and software and thus, service providers in this arena indicated a proposal would be dependent upon the management structure. Therefore, in communications with the Board of Directors, it was agreed to place the RFPs for insurance and Management out for bid first, to be followed by accounting and software.

Additional Management Services to the Board

Throughout the month of June, additional assistance to the Board has been provided by developing a Letter of Intent and memo to the Board regarding the potential for transfer of ownership from the City of Reno back to Somerset Owners Association. Historical documents reviewed include:

- Park Development Agreement Nov 17, 2004
- First and Second Amendments to the Park Development Agreement
- Agreement between the City of Reno (as Grantee) and State of Nevada, Division of State Parks, Land Water Conservation Program (as Grantor) approving funds for the development/ improvement of West Park.
- Original ownership deeds, deed of dedication for East and West Park
- City of Reno Residential Construction Tax authorizing the collection and expenditure of taxes collected from the construction of new residential homes.

Review of SOA's standards of practice as it relates to contracts and policies for the purposes of improving efficiencies.