PAY HOA

Reddenwood Maintenance Corp: Using HOA software to move management from contractors to volunteers

Client

Reddenwood Maintenance Corp.

Location

Milton, Delaware

Vitals

Built 109 units over the past two decades.

Results

- Reddenwood's former property management company was slow to respond to requests and overpaid bills.

- Since residents elected a new board two years ago, PayHOA software has enabled a switch to self-management of the community.

- Volunteers quickly adapted to PayHOA's user-friendly interface.

- Reddenwood HOA President Rich Stern says the time savings have been immense: "I feel like I got half my day back."

Summary

When the Reddenwood Maintenance Corporation voted to replace their HOA Board two years ago, essentially every task and decision depended on a property management company. But with common mistakes and price hikes, the relationship with their management company was no longer serving the community. Eventually, the board chose to replace the contracted management company with themselves, aided by HOA software. This shift not only gave the board greater autonomy and transparency but also resulted in cost savings and improved communication with homeowners. By leveraging PayHOA's software, they streamlined operations, enhanced financial oversight, and made decision-making more efficient. More importantly, it made management of the community (and life in the community) easier.

A Unique Community with Unique Needs

Reddenwood is a secluded community of single-family homes in Milton, Delaware. Seventy-one houses were built 16 years ago, and another thirty-eight were added in 2019. The homes are on wooded, one-acre lots just 12 minutes from Broadkill Beach. "It's pretty unusual in southern Delaware to have these sized lots," HOA President Rich Stern said. "There's high-density development going on here. If you're lucky, you might get a quarter of an acre, and the houses are right on top of each other."

Reddenwood HOA's responsibilities include overseeing contractors to manage streetlights, snow removal, stormwater retention ponds with fountains, and common-area landscape maintenance. These are in addition to administrative tasks such as billing and bill paying, accounting, and homeowner communications.

The Move to Self-Management

When the new board was elected, new leadership quickly noticed inefficiencies and duplications in vendor management without someone available to answer questions (they were still paying a former vendor four months after a new vendor had been contracted for the same job).

"We're only 109 units," Stern said of his neighborhood. "We understand we're small, but we still need attention from a contracted partner."

At first, the new board was hesitant to eliminate the management company, as they feared doing so would remove the cushion of responsibility between them and the homeowners. They even considered having an attorney manage the HOA until they were quoted a fee of $350 per hour for administrative tasks, from bill payment to bank account reconciliation.

Stern, retired from a 30-year career in IT, pointed out that the board was ultimately responsible for the HOA's operations, with or without outside management. When the company announced a fee increase, the board knew it was time to try self-management.

Easier HOA Software Onboarding

The new Reddenwood board knew there had to be a software solution to make the HOA's administrative tasks less cumbersome.

"Communications were a nightmare," he said. "We couldn't even email homeowners without going through the property management company." The homeowners were unable to contact the board members directly, everything had to go through the management company. For example, Stern's wife and another resident had wanted to start a welcoming committee but were denied access to homeowner contact information. They had to work around the problem by knocking on doors and collecting addresses, phone numbers, and email addresses with pen and paper.

Reddenwood HOA's treasurer, Doug Levengood, a retired small business owner, compared HOA software programs online and recommended that the board investigate PayHOA for the solutions it needed.

"You would think I, as the IT guy, would have found PayHOA, but Doug actually said, 'You should go look at these guys,'" Stern said. "So I did. Then, I looked at a couple of other companies. I could see that PayHOA was the real deal by what they put on their website and how they presented themselves. And then when we got the trial, I'm like, 'Yeah, this is really good. It's really good." All of the other Board Members agreed.

The members selected to oversee homeowner communications were (and remain) self-described "decidedly non-technical," but they were able to navigate PayHOA's user-friendly communications features within five minutes.

When Stern recommended software to clients in his consulting days, he usually suggested they buy it if a particular program did 80 percent of what they wanted it to do. "PayHOA software does 95 percent of what we need. Maybe there's five percent that's not exactly what we think we need," he said. "But none of those are deal breakers or showstoppers. We're extremely pleased."

Solving Succession Planning

Recruiting volunteers to serve on an HOA board is rarely easy in any homeowner association, and one of the challenges the current Reddenwood HOA board has faced is succession planning. Every board member's term is for one year, and they all come up for re-election at the same time, which raises the specter of having a full cohort all leaving the board at the same time.

"We have our annual elections every November, and one of the biggest challenges we have is getting a quorum," Stern said. "This year, we got the quorum on the first try because we did consistent outreach to the community to make sure we received the proxies for quorum. That was amazing."

Reddenwood's current board decided to ease succession by cataloging all the tasks they each perform each month in PayHOA, so "when we transition to the next board, we can give them kind of a road map," he said. "Here are the things that you have to do in January; it's a big tax month for us, — 1099s, proposals from vendors, things like that. Come late spring or early summer, we're going to get into preparing the budget, getting the notification ready for the next annual meeting, and soliciting nominees to run. But at least this way, we can kind of hand this book to the next board as a framework."

PayHOA software makes transitions like this much easier because all documents, history, and financials stay in one place, even with board turnover.
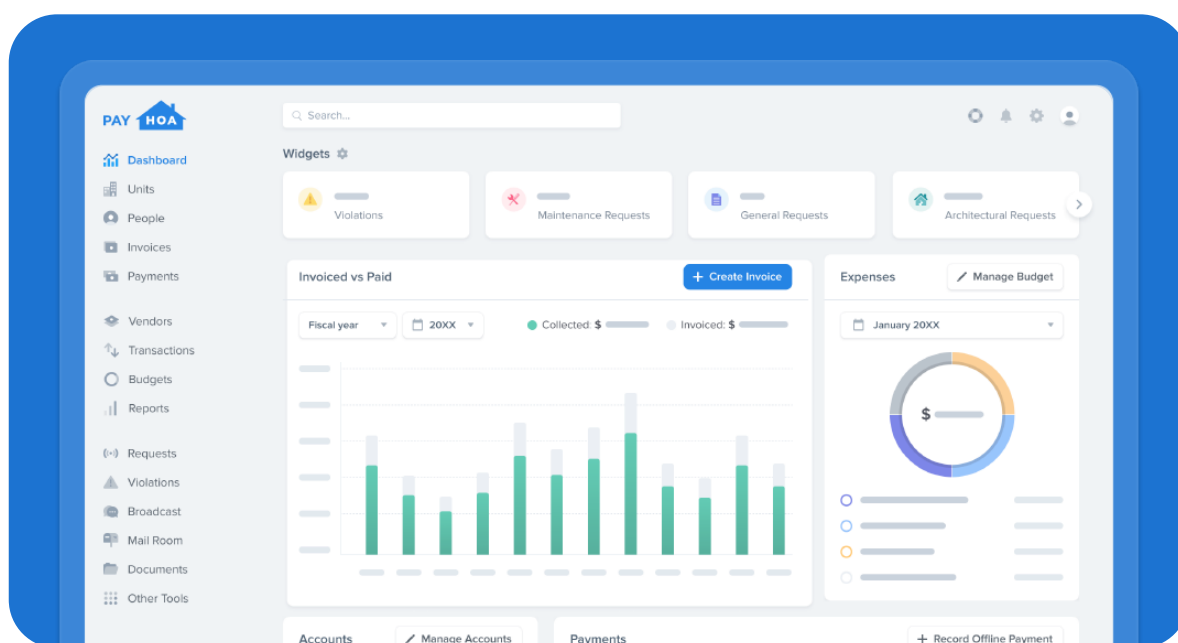
Spreading the love

Stern and Levengood have recommended PayHOA to board members of several neighboring communities, often highlighting its ease of use as a standout feature.

Because homeowners come from all ages and generations, the software is built to be intuitive for users with any level of technological experience. Everything—communication, financials, IT tools—is presented clearly and accessibly, giving board members the information they need at a glance. It replaces confusion and uncertainty with transparency.

"When we sign in, we love the dashboard," they shared.

Transparency, they say, is one of the biggest benefits. "It's just easy access to the data at any point," Stern explained. "Mid-month, end of the month—you have full access, in real time, to payables and receivables, which is crucial."

Communication has also improved dramatically. (Remember when board members had to go through a property management company just to send an email?) "For us, the ability to communicate directly with homeowners across multiple methods is probably the greatest thing since sliced bread," Stern said. "I feel like I got half my day back."

And while the software is powerful and easy to use, Stern's favorite part of PayHOA isn't even technical. "As easy as it is to use, and as powerful as the integrations are, the thing that is most delightful is that with every single person I've interacted with—email, phone, whatever—the PayHOA culture shines through," he said. "The customer comes first."

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