

Rivendell Operations Handbook

28-Nov-2020

This Manual is in 2 parts:

Part 1: Organization and Operating Philosophy

Part 2: Evolving Details

PURPOSE

The purpose of this Handbook is to establish relatively unchanging “enduring guidelines” that answer the question, “How should we operate as a community?”. It will knit together the array of supporting community documents that define how the Rivendell Community Association (RCA) makes decisions, develops policies and procedures, and oversees the operations of the community. Further, it will act as a guide to our “institutional memory”, to ensure that what we have learned in the past does not need to be re-learned when the inevitable turnover of volunteers, managers and contractors takes place.

TARGET AUDIENCES

The primary users would be current and future RCA Board members, committee members and the Community Association Manager (CAM). Additionally, prospective buyers may gain a better understanding of how our community operates. Different users may choose to focus on and use different sections for their specific purposes.

VISION

The objectives of the RCA are twofold: to maintain the community at a level that protects the property values of its members in both the short and long term and: to fulfill its regulatory responsibilities. Decisions, policies and procedures should be businesslike and based on strong evidence, including industry standards, Best Management Practices (BMPs) and knowledge gained from the experiences (good and bad) of similar deed-restricted Florida communities. In achieving these objectives, a reasonable and sustainable balance must be found between services provided by resident volunteers and those provided by supporting contractors.

Part I - Organization and Operating Philosophy

Part I is in two sections – Background and Enduring Guidelines

BACKGROUND

Overview

The RCA is a subdivision of 498 homes which includes three “maintenance free” neighborhoods, The Cottages, The Villas and The Patio Homes, all operated by resident volunteers acting as a set of Boards and Committees, supported by a CAM and a set of service contractors.

Administrative Operations

The RCA was incorporated on September 13, 1995 as a deed-restricted Home-Owners Association (HOA), operating under the authority of Florida Law, FL-720. The RCA Board has both the legal authority and the responsibility to enforce Covenants, Standing Rules and other legal documents and impose penalties for violations. The Boards also have “taxing” authority (HOA fees) and fiduciary responsibility to use those funds in support of the entire community and the Sub-Associations, respectively. Additionally, RCA must meet specific requirements of its Southwest Florida Water management District (SWFWMD) permit and County (Ordinance 92-021) rules.

The RCA Board is supported by a set of Committees that have advisory roles. Final decisions are made by the elected Board. In general, governance is guided by legal responsibilities and limited by exemptions to the RCA Covenants which were granted by the original developers prior to those developers turning community operations over to the Community Association.

Operational success depends on three factors: 1) a strong group of volunteers that comprise both the Boards and the Committees, 2) adequate professional knowledge and focus by the CAM, and 3) a group of well-managed service contractors.

Property Management and the Role of the CAM

A CAM must have certification from the State of Florida and have received specific training in HOA management. They are employed by the Property Management company and perform four major functions: 1) contract negotiations with service providers, 2) overseeing the work that these providers do to ensure it is up to the negotiated standard, 3) supporting the Board, such as conducting meetings and providing information and 4) general accounting, bill payment and record keeping. Our current Property Management contract is with Lighthouse Property Management (LPM).

Contract Negotiations

It is possible that volunteer Board members may have the necessary expertise, but this is not always the case. Many community members are transplanted from other places where pricing, regulatory requirements and methods of doing things are very different. Ergo, the person best suited to perform this task is the professional CAM, with their knowledge of local pricing, licensing and procedures. Volunteers have fulfilled this role in the past, with varying degrees of success.

Contractor Oversight

The community is supported by a set of contractors. These include, but are not limited to, mowing, landscaping, pool maintenance, ponds management, preserves management and “as-needed” repairs.

In the past we have had a hodge-podge of contractor oversight, some done by volunteers and some by the CAM. This oversight involves substantial time and effort, especially in cases where the scopes-of-work are broadly stated and not detailed. Additionally, as our landscaping, infrastructure and community common areas have aged they all require more maintenance and attention than when new.

Experience has shown that when we rely on volunteers for this task and community participation wanes, the performance of the service providers slides and the overall look of the community suffers. By relieving our volunteer corps of this task, we are no longer reliant on constant high levels of community participation. A CAM provides consistency by ensuring that contracts are negotiated with detailed scopes-of-work and regular oversight of compliance.

Board Support

The CAM advises the Board on a number of issues, including the legal requirements to conduct meetings and give proper notice, financial management, the interpretation of Rules and Covenants and enforcement of non-compliance.

Regarding enforcement of rules, it is highly desirable to have an objective, impartial CAM look into situations involving alleged infractions. The CAM will then compare the situation to community rules and take such action as is appropriate. This is preferable to having a resident volunteer, as a Board or Committee member, being in the uncomfortable position of having to demand compliance from a neighbor. The whole community benefits from a system that both enforces the (*largely objective*) rules and also enables the Boards and Committees to be separated from the process.

Certain decisions should remain within the purview of the Board, especially when they are *subjective or aesthetic*, such as ARC applications, landscaping choices, budget priorities and community improvements.

Administrative Support

The Property Management company also collects the HOA fees and penalties, pays the Contractors, keeps all the accounting records and assists the Board with budgeting.

In Summary

We strive to be a well-managed, sustainable community. Our historic reliance on volunteers, while effective in our past history, has shown itself recently to be insufficient for our needs. Our proposed new operating model will have the CAM managing day-to-day operations, with oversight from our volunteer Boards and Committees.

ENDURING GUIDELINES

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This section, framed from the viewpoint of the RCA Board, includes general guidelines for community operations and decision-making, consistent with the above Vision. These guidelines are organized into three subsections: **Volunteer Corps**, **Administrative Operations** and **Contracts Management**. This section also explains the application of the numerous supporting documents that are needed for daily operations. The intent is that this section will be only rarely changed.

Volunteer Corps

Supporting and Maintaining Our Volunteer Corps

The continuing success of Rivendell community operations relies on the support of an enthusiastic and committed Volunteer Corps of community residents. That needed volunteer enthusiasm is directly related to how our residents view their community. *Our residents will protect and support those things that they see as valuable to them.* It is reasonable, then, that we commit to a continuing “marketing” effort to build and maintain a positive view about living at Rivendell. This can be done through our Website, our community newsletter, social activities and the many other ways the Boards and the Committees communicate with each other and our residents. These steps are specifically intended to create a community environment conducive to volunteering. As an additional intended benefit, these steps cultivate a positive community spirit and routine neighborly interactions which, together with a well-managed community, make living at Rivendell a highly desirable experience.

This topic is further defined in the RCA Volunteer Corps Support Plan identified in the Annotated Index of Evolving Details. This Plan includes valuable recommendations about bolstering both volunteering and community spirit and has been developed from information available from the Community Association Institute, (CAI) and other sources.

What Our Volunteers Do

The principal activity of our community volunteers is to operate the RCA Board, multiple RCA Committees, and three Sub-Association Boards. All Board functions are primarily administrative, and all decisions pertaining to community operations, such as financial management and community improvements, are the responsibility of the elected Boards. Most of the routine RCA operating decisions, including contract oversight, are delegated to our CAM with support from our Committees and the RCA Board. Details pertaining to the operation of all these Boards and Committees are presented in the Administrative Operations section, below.

Committees are composed of resident volunteers who provide advice and support activities identified as important by the RCA Board. They research background information [based on evidence, including industry standards, Best Management Practices (BMPs), experiences at neighboring communities, etc.] and forward their recommendations to the RCA Board. Each Committee has a Board Liaison who provides guidance and champions committee recommendations to the other

members of the RCA Board for discussion and decision. The RCA Board decides on accepting or rejecting these recommendations. Further discussion of the criteria for these operating decisions is provided in the Contracts Management section of Enduring Guidelines, below.

Institutional Memory

Change is the only constant in life. With every new volunteer, or contractor, or CAM we should endeavor to have a smooth transition, without the need to repeat the mistakes of the past. Codifying our “institutional memory” provides a roadmap for successive volunteers and contractors to maintain competent community operations. This Handbook is intended, in part, to be our guide to our “institutional memory.”

Administrative Operations

The primary purpose of RCA is to hold title to, operate, insure, repair and maintain the Common Area, including the parks and playgrounds, open spaces, recreation facilities, private roadways, conservation areas, the Storm Water Management System and retention areas; and decorative entrance ways within the Community. It must enforce restrictive covenants applicable to the Community; provide architectural and aesthetic control; maintain and monitor wetland preserves within in accordance with any Environmental Resource Permits; and to take such other action as is required pursuant to the Governing Documents.

The affairs and operation of the Community Association shall be managed by its Board of Directors which shall execute its duties and obligations based on Florida law and the Governing Documents, subject only to Membership approval when such approval is specifically required.

The Board shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the expenses of the RCA for the fiscal year and to provide and maintain funds for the accounts established by the Board, in accordance with good accounting practices. RCA shall provide each Member with a copy of the annual budget. The Community Association shall establish and maintain an adequate reserve account for the periodic maintenance, repair and replacement of the Common Area and any property owned by the Community Association.

Contracts Management

As noted above, the new operating model for RCA substantially increases our need for an adequate number of devoted work hours from a professional CAM, as compared to our historic model, wherein we relied heavily on volunteer hours. The negotiation and oversight of day-to day contracts should now be handled by the CAM. In this model, RCA holds a contract with the Property Manager and the CAM is authorized to oversee the supporting contracts, which are also held by RCA. Much of that oversight will be on-site at Rivendell. The administrative load on the Volunteer Corps is intended to be reasonable and sustainable. Again, success will depend on detailed scopes-of-work for all contracts. Sub-Association contracts are overseen by the respective sub-association Boards.

To assure impartiality and avoid conflicts of interest, contracts will all be with organizations having no connection with RCA residents, including Board members and Committee members. Contracts management will be conducted in a businesslike way and with “arms-length relationships.”

Types of Contracts

RCA contracted operations, which comprise the majority of the RCA budget, include: 1)

administrative support, routine and preventive maintenance, 2) unscheduled maintenance and 3) improvements. The great majority of effort associated with managing elements 1 & 2 should be delegated to our CAM and LPM. Improvements will require substantial volunteer inputs.

Routine RCA Operations

The CAM provides routine administrative support for numerous RCA Board functions. Historically, some routine maintenance items that are relatively predictable have been handled on a **reactive** basis. For example, irrigation system maintenance, some types of pool maintenance, trimming trees and shrubs, replacing shrubs at the end of their useful lives, etc.

With the new model, these activities will be handled by our CAM on a **proactive** basis. This will include using professional consultants such as, in the case of landscaping, Landscape Designers, as well as BMPs and other sources of information, to define not only the landscape design but also a calendar for trimming, shrub and tree replacement and other reasonably-predictable tasks. Calendars for individual contracts will be assembled into a master community calendar. This master calendar will be maintained by the CAM and is described in more detail in the Administrative Operations section, above. The list of supporting contractors for routine operations, along with detailed scopes of work, and in some cases, detailed checklists for oversight inspections, points of contact, etc. are all provided in the Evolving Details section.

The basic contract management model for **all** our routine supporting contracts, is to:

- 1) Clearly identify our expectations in a detailed scope of work, including performance standards and schedules, and in some cases, an activity calendar,
- 2) Negotiate with the contractor to reach agreement on those detailed stipulations, including associated levels of effort and costs,
- 3) Provide the contractor with a reasonable chance to demonstrate performance,
- 4) Provide routine oversight, in some cases based on an activity calendar and an associated checklist keyed to the scope of work and,
- 5) Provide support and encouragement to contracts that are going well. A “Thank You” for a job well done goes a long way,
- 6) Take corrective action, if necessary, (up to and including the point of re-advertising the contract or a portion thereof) if performance routinely falls below the stipulated and agreed-to standards.

Unscheduled Maintenance

Despite routine and preventive maintenance, our aging infrastructure systems, such as at the pool, our community electrical system and our irrigation system, all experience unscheduled breakdowns and require as-needed repairs. Developing the background information, estimates and scopes-of-work for repairs for each of these situations will be the responsibility of the CAM. Final approval of any unscheduled maintenance task will be by the RCA Board. A budget line item is provided for this category. The list of supporting contractors and vendors, including points of contact, that provide as-needed services are included in the Evolving Details section below.

Improvements

Our volunteer Committees will identify potential capital improvements. They will work with

the assistance of contractors and/or industry experts to frame out projects, including estimates, sometimes from multiple sources, and develop them into useable scopes-of-work for review by the RCA Board of Directors. The Board can then consider priority, budgetary and aesthetic aspects of the projects before forwarding to our CAM. For most improvements, this step is part of the annual budget planning process. For projects having preliminary approval, the subsequent CAM activities include refining the scopes-of-work, requesting proposals, and recommending the best candidate to the Board for final approval. After award, the CAM will provide oversight of the contractor's performance with inputs from our Committees.

Continuous Improvement

In the spirit of continuous improvement, the design and operation and scopes of work for our landscaping and infrastructure, in particular, will benefit from a periodic audit by an organization with appropriate credentials. This may result in re-advertising supporting contracts, without cause, at specific intervals, such as ten years, to assure that the community is being well served.