

## Rule 9. RULES FOR COMMUNITY MANAGEMENT



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### 9.1 Purpose and Responsibilities

- A. These rules contain the Board’s rules for management of operations for Ventana Lakes. It is not intended to contain job descriptions or procedures for doing work, except when such has a direct impact upon the Association or its members; those directives are generally in separate parts of the Ventana Lakes Rules.
- B. The Community Manager is responsible for ensuring operations meet the requirements of all governing documents and contracts of the Association, including the Ventana Lakes Rules, and for providing administrative support for implementation of all governing documents.
- C. The Community Manager is responsible for operations management, and supervises the work of office staff and contractors accordingly. **No individual Board member may give directions to the Community Manager except for the President of the Board of Directors or as delegated by the President or the Board as a whole.**
- D. Whenever the Ventana Lakes Rules specify a responsibility to the Community Manager, the Community Manager may delegate duties to office staff or contractors as appropriate, but remains ultimately responsible.
- E. The Community Manager is responsible for ensuring that each new employee reads and signs the “Ventana Lakes Employment Manual.”

- F. The Community Manager is to offer orientation meetings for new homeowners. These meetings should be held in the Yacht Club, either annually or twice per year.

*Adopted 2-17-2010.*

## **9.2 Community Manager and Staff role in Politics**

Management Staff shall not become involved in arguments between residents or in community political issues. The Community Manager and Management Staff must serve the community without bias.

*Adopted 2-17-2010.*

## **9.3 Reimbursement for Purchases, Services and Travel**

- A. Homeowners and staff requesting reimbursement for Association purchases, services or mileage related to Association business will complete the appropriate form and provide receipts, unless the claim is for mileage, when a log is required.
- B. Reimbursement forms will require the following information: Name, address, and telephone number; date of purchase, service or travel; a clear explanation of how the purchase, service or travel is related to Association business. The form shall be signed by the homeowner or staff member requesting reimbursement and by an authorized individual who approved the purchase, service or travel on behalf of the Association.

- C. Reimbursements are limited to \$750 without full Board approval.

*Adopted December 19, 2009. Amended 2-17-2010.*

## **9.4 Gardens Management**

- A. The Gardens Landscape maintenance contractor is to be directed in accordance with the Gardens Landscaping Rules in Rules for Homeowners. The Community Manager shall ensure that Gardens landscaping expenditures are in accordance with the established budget category, authorized amount and any special expenditures other than for maintenance must be approved by the Board. [See Rule 2.2 B.]
- B. On November 1, 2008, the Board of Directors found that the Tract Declaration for The Gardens and the Sixth Amendment to the CC&Rs were inconsistent and contradictory with regard to the obligation to pay for the landscape maintenance on the Common Area tracts in The Gardens. Pursuant to the authority granted by the CC&R's, the Board exercised its interpretive authority and resolved:
  - 1) The Board of Directors recognizes The Gardens Tracts A through Z, inclusive and Tract BB as plotted on the official plat map and which are titled to the Association as COMMON AREAS of the Association.
  - 2) The Board of Directors interprets the original governing documents so that the Common Area tracts in The Gardens are no longer deemed to be part of the Parcel Assessment Area as defined by Article 1, Section CC of the CC&Rs, pursuant to the

Sixth Amendment of the old CC&Rs. As they are no longer deemed to be part of the Parcel Assessment Area, the cost of maintenance for these Common Area tracts is no longer to be levied against the owners in The Gardens as part of the Parcel Assessment, but which continues to include the cost of repair, replacement and maintenance of the roofs, lot landscaping and exterior painting of the units in The Gardens.

- 3) The Board of Directors directs expenditures for maintenance and upkeep of these COMMON AREA parcels to be paid from the VLPOA "Master Account" from this day forward. Because the irrigation system in the Gardens is integrated and inseparable, the costs for water, electric and maintenance shall be shared 50% Gardens, 50% Master VLPOA budget.

*Subsection C was formerly R2008-11-01 adopted November 1, 2008. Rule 4 adopted 2-17-2010.*

## **9.5 Disposal of Association Property**

Unless specifically authorized by the board, the Community Manager is to bring recommendations for disposal of Association Property to the Board in an open meeting.

*Directive from June 20 2009 meeting. Rule 5 adopted 2-17-2010.*

## **9.6 Vacant Property Clean-up Authorization**

- A. **Notification to the Homeowner.** Within 3 days of being made aware of a vacant property requiring clean-up, the Community Manager shall send a written complaint by registered U.S. mail to the homeowner.
- B. **Homeowner Response.** Within 10 business days of receiving the registered complaint letter, the homeowner shall respond in writing to the Association that the property will be cleaned up within 20 calendar days, and complete the clean-up as stated; or they will initiate clean up and complete it within 20 calendar days.
- C. **Community Manager Authority.** If no response is received from the offending homeowner after 10 business days, the Community Manager is authorized to contract to restore the property to meet VLPOA requirements.
- D. **Clean-up Costs.** All clean-up costs shall be charged to the homeowner's account and shall be paid in full within 30 calendar days unless other payment arrangements are made in writing.
- E. **Health Hazards.** The Community Manager shall report any property qualified as a health hazard according to City or County standards to the City and/or County as appropriate.

*Formerly Policy 2009-02 adopted March 21, 2009. Rule 6 Adopted 2-17-2010.*

## **9.7 Cutting Roots on Common Areas**

The Community Manager shall direct cutting the roots of a tree that is threatening the structural continuity of sidewalks, fences, buildings or lake liners, as an option to save the tree and avoid the expense of removing the entire tree.

*Ordered by the Board 2008. Adopted 2-17-2010.*

## **9.8 Staff Participation in Resident-Produced Events at Ventana Lakes**

VLPOA staff members may participate in or attend events at Ventana Lakes. Staff members who elect to do so may only participate on their own time (activities coordinator exempt) and may purchase a ticket(s) and attend any VLPOA planned activity.

*Formerly #2004-17 of July 13, 2004/ reviewed and kept June, 2006. Adopted 2-17-2010.*

## **9.9 Travel Rebates**

Whenever a trip is organized through the Association and the cost of the trip per individual exceeds \$1,000 and there is a rebate to be returned to the Ventana Lakes Property Owners Association (VLPOA); the rebate will not be returned to the Ventana Lakes Property Owners Association. The rebate will be returned to the individuals who paid to participate in the trip.

*Formerly 01-01 dated 1- 2001; reviewed and updated 6- 2006; amended October 12, 2009. Adopted 2-17-2010.*

## **9.10 Responsibilities to the Board**

- A. As new Board members are elected and others leave, it is the responsibility of the Community Manager to ensure that continuity of the history and records of the Association are maintained. For that reason, this Section assigns specific responsibilities to the Community Manager related to Board functions.
- B. The Community Manager is to establish a record for each new Board member elected or appointed. The written record shall document the following information at a minimum and shall be kept up to date. When a Board member resigns or leaves office, the written record shall be used as a checklist to document all association equipment is turned in and access is turned off. This is for both the protection of the community and the Board Member who may be unfairly charged with continued access to the office or keeping community property. It will also serve as a history regarding who had access to community records.
  - 1) Name of Board member, service dates, and offices held during term.
  - 2) Each appointment to serve in an officer's position and duration of the appointment.
  - 3) Whether a "Board Member" ID card was issued and when it was returned.
  - 4) Whether a signor on CD's (dates of changes, with signature of Treasurer or President required.)
  - 5) List of keys assigned, and when they were turned in, signature of Community Manager required.

- 6) Whether a security (alarm) code was assigned, deactivation date, signature of Community Manager required.
- 7) Website e-mail account removed: signature of Community Manager required.
- 8) List of any other VLPOA equipment assigned, date returned; signature of Community Manager required.

C. The Community Manager is responsible for:

- 1) Ensuring that notices and agendas for open meetings are posted in accordance with law and the CC&R's.
- 2) Scheduling and setting up meetings in a manner that will ensure the community has access and is able to hear the proceedings.
- 3) Ensuring that meetings are recorded, and that the audio files are maintained in the Management Office.
- 4) Ensuring that Board minutes are completed if the Board Secretary is unable to make the written record, and that approved Minutes are posted to the Association website within 48-hours of approval by the Board.

*Adopted 2-17-2010.*

### **9.11 Website and Webmaster**

- A. The Association shall have a website and an appointed or contracted Webmaster to manage the timely posting of Board approved content. The Community Manager is responsible for ensuring this and that the domain name and all other necessary fees are paid to maintain the website, and that the URL AND Web page password are kept in the office.
- B. The publicly available website shall contain the following, though other content may be added for the benefit of Ventana Lakes. The Community Manager is responsible for ensuring that the following are available on line and kept current:
  - 1) All governing documents of Ventana Lakes, including the CC&R's, Bylaws, and Ventana Lakes Rules.
  - 2) Financial Reports
  - 3) Treasurer's Reports
  - 4) Community Manager's Reports
  - 5) President's Reports
  - 6) The schedule of Board meetings for the current year.
  - 7) Board Agendas
  - 8) The minutes of all Board meetings except Executive Sessions
  - 9) All proposed rules or changes to rules proposed by the Board.
  - 10) E-mail addresses and/or links to contact active Board members.
  - 11) Active Committee Board Reports

### **9.12 Survey for Community Age Requirement**

- A. The Management Office shall conduct a survey of its records once every two years to ensure that all residents meet the requirements of the Ventana Lakes CC&R's, Article IV, Section D. The survey shall be conducted in accordance with 24 C.F.R. Part 100 (Department of Housing and Urban Development, Part IV, Implementation of the Housing for Older Persons Act of 1995.)
- B. The Community Manager shall refer the names of any persons refusing to provide proof of compliance in accordance with this rule to the Board of Directors.

*Adopted 2-17-2010.*

### **9.13 Records Management**

- A. The Community Manager is responsible for maintenance of records verifying the common areas of Ventana Lakes as prescribed by the CC&R's, Board rules, county record filings, and court judgment.
- B. The Community Manager is responsible for securing all governing documents of the Association, and all documents that have legal or historical significance to Association. This includes all county record filings and legal opinions written by attorneys for the Association. In addition to physical storage of these documents, the Community Manager shall ensure that these documents (excluding confidential legal documents) are converted to digital format as appropriate and posted permanently on separate computer files.
- C. Password distribution.
  - 1) The password for access to all digitized Association records shall be available to the Community Manager, the Webmaster, and one member of the Board as determined by the Board at the organizational meeting each year.
  - 2) Homeowner passwords for access to financial information, meeting minutes and residential rosters shall be made available if a secure website function exists on the VLPOA page to every association member at the management office. Each homeowner requesting access shall be provided a password after signing a confidentiality agreement.
- D. Records Retention:
  - 1) A.R.S. § 10-11601 sets forth requirements for record retention and specifically addresses the documents that the Association must keep at its principal place of business and the time period such documents must be kept. For example, A.R.S. §10-11601(A) requires corporations to keep as permanent records minutes of all meetings of its members and Board of Directors, a record of all actions taken by the members or Board of Directors without a meeting and a record of all actions taken by a committee of the Board of Directors on behalf of the corporation.
  - 2) A.R.S. § 10-11601 further provides that a corporation shall keep a copy of all of the following records at its principal office, at its known place of business or at the office of its statutory agent:

- a. Its articles or restated articles of incorporation and all amendments to them currently in effect.
  - b. Its bylaws or restated bylaws and all amendments to them currently in effect.
  - c. Resolutions (The Ventana Lakes Rules) adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members.
  - d. Minutes of all members' meetings and records of all actions taken by members without a meeting for the past three years.
  - e. All written communications to members generally within the past three years, including the financial statements furnished for the past three years under A.R.S. §10-11620.
  - f. A list of the names and business addresses of its current directors and officers.
  - g. Its most recent annual report delivered to the Corporation Commission under A.R.S. §10-11622.
- E. The Community Manager shall keep other records, as the Board deems appropriate, to preserve the history of significant events of the Association, so that if challenged in the future, the Association can prove their validity. For example, the records of changes to governing documents of the Association.
- F. The Community Manager is responsible for ensuring that office staff saves its files on the Central Computer for automatic overnight backups, and that IT procedures are maintained and password protected.
- G. The Community Manager shall ensure that operations and maintenance records are kept in a retrievable system.

*Adopted 2-17-2010.*

#### **9.14 Purchasing Authority and Limitations**

- A. The Community Manager has the authority to approve individual purchases for the Association up to \$1,000.
- B. The Community Manager with the approval of the treasurer or designated Board Member has authority to authorize emergency purchases from any Ventana Lakes account up to \$5,000 without the prior approval of the board. However, in a non-emergency costing an estimated \$1,001 to \$2,499 the work should be authorized only after discussion with, and approval by, the Board President. Any emergency expenditures shall be reported immediately in writing to the Board.
- C. Expenditures for services, repairs, site improvements or other items totaling more than \$1000 or above require three bids (**where practical**) prior to placing the expenditure on the Board meeting agenda for a vote. See Procurement Process below.
- D. A purchase order form or other approved form shall be attached to all receipts. Dollar amounts are to be made a part of the monthly financial statement.

*Formerly #2006-07, revised from 02-03, reviewed & updated June, 2006; amended 11-18-2009. Adopted 2-17-2010. B changed 3-4-2011.*

### **9.15 Vendors and Contractors**

- A. A.R.S. § 32-1101(A)(3) defines a “Contractor” as any person, firm, partnership, corporation or other entity that for compensation undertakes to construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, road, excavation or other structure, project, development or improvement, connect such structure or improvement to utility lines, or provide mechanical or structural service for any such structure or improvement. This broad definition applies to many of the purposes for which an Association will retain an outside vendor for repair and maintenance work.
- B. Contractors are required to be licensed unless their work falls into certain specified exceptions. Pursuant to A.R.S. § 32-1121(A)(14), licensing is not required for persons engaging in any work or operation for which the total contract price, including labor, materials, and all other items, is less than one thousand dollars (\$1,000.00). However, where the undertaking requires a local building permit or is part of a larger or major operation, even if the other portions are undertaken by other parties, the exemption from licensing does not apply. In addition, the exemption does not apply where the person uses any form of advertising where they do not disclose that they are not a licensed contractor.
- C. Pursuant to A.R.S. § 32-1121(A)(16), a person functioning as a gardener performing lawn, garden or tree maintenance also does not need a contractor’s license if they are not performing additional work that does need to be licensed.
- D. The Community Manager shall require that the Association’s vendors are fully licensed, bonded, and insured to protect the Association from shoddy workmanship and potential liability. If a vendor is not licensed, then the Arizona Registrar of Contractors cannot order corrective repairs or restitution. Without proper bonding and insurance, the Association could face serious liability if property is damaged or persons are injured due to a vendor’s activities on Association property.
- E. Any resident of Ventana Lakes in good standing may be contracted to perform work by the Board of Directors of the VLPOA if that person meets the criteria established in the Ventana Lakes Rules for Homeowners, Rule 5.

*Subsection E was formerly R2008-05-01 adopted by the Board May 20, 2008. Adopted 2-17-2010.*

### **9.16 Procurement Process**

This Process Specification is to apply to all purchases anticipated and executed by the Ventana Lakes Property Owners Association at the value of more than \$1,000. This process is not to apply where bidding is impractical, and in the event of an emergency repair situation where funds need to be expended quickly for the repair of current facilities where failure to repair these facilities promptly may result in damage, or denial of use to residents (i.e. Air conditioning unit, water heater, pool spa heater, roof leak, etc.).

DEFINITIONS:

A “**Request for Quotation**” (**RFQ**) form created by the association’s lawyers in 2009 or thereafter is to be used as part of a two-step process, also including a contract, when the services or goods required are specifically known. The RFQ is to include a date by which the RFQ must be returned to the Association Office. The Community Manager does not need Board approval to request quotations and may go out for quotations at any time as deemed necessary.

A “**Request for Proposal**” (**RFP**) form may be used when the Association is looking for proposals from vendors to achieve a specified purpose.

A “**Work Specification**” describes the scope and work to be required and may be included in either the RFQ or RFP, but must a part of the contract.

A “**Contract**” is a legal document that will replace the RFQ or RFP as the sole document governing the terms of the transaction.

- A. The Community Manager is to prepare a Work Specification as part of either of the above RFQ or RFP forms that fully describe the scope and detail of the work required.
- B. All Work Specifications in the contract are to include items such as work required at a detail level, frequency of work required, and quality of work required. Penalties, and a dispute resolution process are also to be included in the Specification for work not performed per the Work Specification and/or to the satisfaction of the Association, or if Association property or Resident property is damaged and/or defaced during the performance of the work. The Community Manager may use other resources as needed to assist in the preparation of the Work Specification due to expertise needed, but it is the Community Manager who is responsible for the timely generation and distribution of the Work Specification.
- C. The Manager shall always be pricing services needed by the Association so as to ensure that best pricing is made available to the Board of Directors for consideration and action.
- D. The Community Manager is to select a minimum of three (3) vendors/contractors to receive the RFQ or RFP, and distribute the RFQ or RFP and Specifications to the selected vendors/contractors. The selected vendors/contractors are to be selected based on good judgment pertaining to reputation, history of work, size of business relative to size of work required, ability to meet the needs of the Association, availability, and so on. The Community Manager is to make himself/herself available to answer questions as needed during the quotation period, and may request the help of community members or other experts as needed to satisfy the questions that potential vendors/contractors may have.
- E. The Community Manager is to receive the quotations back sealed without opening them from the vendors/contractors, and collect them until all quotations are received, or the specified return date for the RFQ or RFP passes, whichever is achieved first.

- F. The Community Manager is to open all quotations with a second person (the Assistant Manager or a Board member) present to insure the integrity of quotation process and record the quoted prices. After opening the quotations, the Community Manager is to review all quotations, analyzes the quotations in detail as to the work quoted relative to work specified, pricing, history and/or reputation of the vendor/contractor, and so on, and prepare in writing a recommendation stating which vendor/contractor to employ and why, for Board Of Directors consideration. If all quotations do not meet the requirements of the RFQ or RFP or are not returned, the Community Manager is to proceed to rectify and/or repeat this process selecting other vendors/contractors, or change the scope and detail of the work specification, etc., and re-quote to obtain the minimum of three quotations. If needed, the Community Manager is to work with the Board and/or community members to resolve issues associated with this situation when it is experienced. If after attempting to meet the three (3) quote minimum this cannot be achieved, the Community Manager is to bring this situation to the attention of the Board and request direction.
- G. The Community Manager shall verify that any contractor requiring a license is licensed through the Registrar of Contractors prior to presenting a bid to the Board.
- H. The Community Manager is to present the quotation package with the written recommendation to the Board of Directors at the first opportunity, at a Working or Monthly meeting of the Board of Directors. The Board of Directors is authorized to award contracts at an Open Meeting.
- I. The Board of Directors is to officially select the vendor/contractor after discussion, etc. and is to approve the expenditure of funds and the award of a contract by majority vote. A quorum of Directors must be present, and the majority must cast a yes vote to proceed and execute a contract.
- J. The Community Manager is then to notify the vendor/contractor of the contract award, prepare and implement a contract including the applicable Work Specification, penalties, the dispute resolutions processes, and proceed to schedule start of work as required. The Community Manager is an employed agent of the Board, is authorized by the Board, and is to sign all contracts on behalf of the Board of Directors. In the absence of the availability of the Community Manager, the Association President, Vice President, Treasurer, or Secretary is authorized to sign contracts. All financial penalties and the dispute resolution process that were part of the RFQ for unacceptable work and/or damage to Association and Resident property are to be clearly specified in the contract.
- K. Whenever an RFQ or RFP has been issued and it becomes subsequently necessary to issue an amendment to ALL potential bidders, it shall be issued to all vendors to whom the original RFQ or RFP was transmitted.
- L. The Community Manager shall notify all unsuccessful bidders that the contract has been awarded elsewhere by the Board, in order to maintain a good working relationship.

- M. The Community Manager or designee is to closely monitor and report to the Board the implementation of all contracts and the level of work performance to insure that all contract requirements are being fully met, and work is being performed at the level, frequency, and quality stated in the contract. If any unacceptable performance is found, the Community Manager is to immediately contact the vendor/contractor to discuss the contract requirements, implement penalties and/or the Dispute Resolution Process, immediately resolve any issues, and obtain full compliance. All instances of unacceptable performance shall be documented and reported to the Board immediately in writing along with whether a resolution was reached or not.
- N. A book(s) of specifications, quotations, vendors, etc. is to be maintained by the Community Manager for budgeting, planning, costing, and historical reference purposes at all times. All sources available for solicitation shall be sought.

*The above rule, titled "Specification, Quotation, And Vendor Contract Award Process Specification" was originally approved and implemented by the Board of Directors on July 13, 2004, and reinvented in 2008 as the original document was misplaced. Adopted 2-17-2010.*

### **9.17 Volunteers and Activities**

The Community Manager is to ensure that residents who volunteer to hold special events or activities, and committee members, receive a copy of the Rules for Establishment of Committees and Volunteers, as well as the rule governing any applicable Committee.

*Adopted 2-17-2010.*

### **9.18 Lien extinguishment**

The Community Manager is responsible for providing information to prospective purchasers of property within Ventana Lakes as required by Arizona law in order to prevent a situation whereby the Association could forfeit its right to hold a lien on such property.

*Adopted ?, 2011.*