

RIVENDELL COMMUNITY ASSOCIATION

October 21, 2020

To: Rivendell Community Association Members,
From: Rivendell Community Association Board of Directors
RE: Proposed 2021 Operations and Reserves Budget
CC: Kathambi Jones, Certified Account Manager

The Rivendell Community Association (RCA) Board of Directors will consider and adopt a 2021 operations and reserves budget at its November 4, 2020 meeting. The proposed budget is attached for your information. Pertinent points are summarized below. Please forward any questions or concerns about this proposed budget to Ms. Kathambi Jones, our CAM, at Rivendell@mgmt.tv

OPERATIONS

The operations budget proposes a \$55,518 increase (15.4 percent) over comparable items. Two programmatic initiatives drive the increase: annualizing the dedicated Certified Account Manager (CAM) administrative model and honoring our commitment to begin ameliorating our preserves condition.

Dedicated CAM. In May of 2020, RCA signed a contract with Lighthouse Property Management to move from a part-time, shared CAM model to one where RCA receives the dedicated attention of a CAM for 25 hours a week. The increased funds for the 8 months of 2020 came from reallocated funds. The 2021 budget continues that reallocation and adds new funds to finance the four months not included in 2020.

Preserves. As the Ponds and Preserves Committee has so comprehensively and eloquently described, the time is now for RCA to adopt mowing and other fire prevention activities in our preserves to honor our agreements with Sarasota County. The Committee has estimated \$60,000 is required over three years to bring us into compliance. This budget kicks off that initiative by allocating \$20,000 for this activity in 2021. Those funds are recurring and can be used in 2022 and 2023 to bring RCA into full compliance with the County.

Attachment 1 provides the proposed expenditures in each line item as well as the change from the current year (2020) budget.

RESERVES

RCA had adopted a full-funding model for its various reserves. The amount required each year is determined by three factors: 1) the estimated replacement value of the reserve item(s), 2) the estimated remaining useful life of the item(s), and 3) the funds already available in each account. Attachment 2 provides these three data for each reserve item as well as the resulting calculated assessment amount per unit.

ASSESSMENTS

RCA receives its assessments in two installments per year—one due January 1 and one due July 1. The 2021 proposed budget requires the following semi-annual assessments.

	Operations		Reserves		2021	2020	Percent Increase
	All Units	Unit Specific	All Units	Unit Specific	TOTAL		
Unit 1	\$382.85	\$12.86	\$24.26	\$10.21	\$430.17	\$371.25	16.0%
Unit 2-5	\$382.85	\$37.06	\$24.26	\$21.49	\$465.66	\$412.50	13.0%

Attachment 1

Proposed 2021 Operations Budget						
Units	Acct. #	Description	2021 Proposed	2020 Budgeted	Difference	Percent Change
ADMINISTRATIVE EXPENSES:						
All	7005	Bad Debt	\$3,000	\$3,000	\$0	0.0%
All	7020	Dues/License/Permits	\$756	\$756	\$0	0.0%
All	7100	Insurance: Liability/D&O/Wind/Umbrella	\$14,300	\$14,000	\$300	2.1%
All	7140	Professional Fees: Audit	\$4,000	\$4,000	\$0	0.0%
All	7150	Prof. Fees: Legal	\$12,000	\$10,000	\$2,000	20.0%
All	7170	Prof. Fees: Tax Prep.	\$190	\$190	\$0	0.0%
All	7200	Management Fee: Non-CAM	\$16,800	\$29,772	(\$12,972)	-43.6%
All	7250	Office: Service/Supplies/Misc/	\$15,000	\$12,000	\$3,000	25.0%
All	7260	Postage / Printing	\$4,000	\$4,000	\$0	0.0%
All	7300	Events/Promotional	\$1,750	\$2,500	(\$750)	-30.0%
All	7420	Communications: Web Site/Online Services	\$3,000	\$2,500	\$500	20.0%
		TOTAL ADMIN. EXPENSES:	\$74,796	\$82,718	(\$7,922)	-9.6%
GROUNDS EXPENSES:						
All	7520	Irrigation: Repr/Svc/Sup.	\$9,000	\$8,000	\$1,000	12.5%
1	7521	Irrigation: Repr/Svc/Sup (Unit 1 Only)	\$400	\$400	\$0	0.0%
All	7550	Lake Contract/Reg. Changes/Repairs/Plantings	\$35,000	\$40,000	(\$5,000)	-12.5%
All	7600	Landscaping Contract	\$81,660	\$73,040	\$8,620	11.8%
All	7610	Landscape: Non-Contract Maintenance	\$10,000	\$10,000	\$0	0.0%
All	7620	Landscape: Mulch	\$5,500	\$11,000	(\$5,500)	-50.0%
All	7650	Landscape: Replcmt/Svc	\$10,000	\$10,000	\$0	0.0%
All	7800	Tree Maintenance	\$25,000	\$25,000	\$0	0.0%
All	7820	Wetlands/Environmental/ Preserves	\$50,000	\$50,000	\$0	0.0%
All	7830	Preserves Mowing	\$20,000	\$0	\$20,000	NA
		TOTAL GROUNDS EXPENSES:	\$246,560	\$227,440	\$19,120	8.4%
MAINTENANCE EXPENSES:						
All	8150	Main/Repr/Svc/Sup/Lighting Repairs	\$15,000	\$15,000	\$0	0.0%
		TOTAL GROUNDS EXPENSES:	\$15,000	\$15,000	\$0	0.0%
POOL						
2 - 5	7101	Insurance: Units 2-5 (Pool Allocation)	\$700	\$1,200 *	(\$500)	-41.7%
2 - 5	8400	Pool Maintenance Contract	\$6,237	\$6,120	\$117	1.9%
2 - 5	8420	Pool/Deck: Repr/Svc	\$3,000	\$3,000	\$0	0.0%
2 - 5	8430	Pool: Janitorial Contract/ Supplies	\$5,208	\$5,208	\$0	0.0%
2 - 5	8440	Pool: Oversight (Covid)	\$0	\$0	\$0	NA
2 - 5	8445	Pool: Hygiene (Covid) (E.G. Cleaning, Sanitizer, Supplies)	\$0	\$0	\$0	NA
		TOTAL POOL	\$15,145	\$15,528	(\$383)	-2.5%
UTILITIES AND SERVICE EXP.						
All	8620	Electricity	\$3,300	\$3,300	\$0	0.0%
1	8621	Electric Irrigation Pump: Unit 1 Share	\$1,760	\$1,050	\$710	67.6%
2 - 5	8622	Electric: Pool	\$7,000	\$7,500	(\$500)	-6.7%
2 - 5	8623	Electric Irrigation Pump: Units 2- 5 Share	\$2,640	\$2,055 *	\$585	28.5%
2 - 5	8700	Water /Sewer:	\$5,800	\$5,300	\$500	9.4%
		TOTAL UTILITIES EXP.	\$20,500	\$19,205	\$1,295	6.7%
OTHE						
All	9110	On Site Manager	\$39,208	\$0	\$39,208	NA
All	9120	Cam Office Space	\$3,000	\$0	\$3,000	NA
All	9710	Contingency Fund	\$1,200	\$0	\$1,200	NA
		Total Other	\$43,408	\$0	\$43,408	NA
GRAND TOTAL EXPENSESWITHOUT RESERVES:			\$415,409	\$359,891	\$55,518	15.4%

* Adjusted for comparison purposes

Attachment 2

RIVENDELL COMMUNITY ASSOCIATION

2021 PROPOSED STATUTORY RESERVE COMPUTATION

(STRAIGHT LINE METHOD)

FIGURES ROUNDED

FULLY FUNDED RESERVES

		TOTAL				BALANCE		COST/
		LIFE EST.	LIFE	ESTI.	RESERVE	TO BE	COST	LOTS/
		IN YEARS	LEFT	COST	1/1/21	COLLECT	PER YR.	SEMI
		-----	-----	-----	-----	-----	-----	YEAR
		-----	-----	-----	-----	-----	-----	-----
RESERVES:								
GENERAL RESERVE: ALL UNITS								
5149	GAZEBO RESERVE	25	7	30,252	18,694	11,558	1,651	1.66
5151	LANDSCAPE PLANT REPLACEMENT	5	1	27,800	27,800	-0	-0	-0.00
5169	IRRIGATION PUMP & WELLS	10	10	25,325	7,145	18,180	1,818	1.83
5200	LAKE SYSTEMS (INCLUDES DREDGING)***	50	29	400,000	54,935	345,065	11,899	11.95
5336	PLAYGROUND EQUIPMENT	15	12	56,529	18,831	37,698	3,141	3.15
5445	STREET LIGHTS	25	4	54,553	40,431	14,122	3,531	3.54
5480	WALLS, FENCES, SIGNS	30	17	54,287	14,466	39,821	2,342	2.35
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	TOTAL			648,746	182,302	466,444	24,382	24.48
UNIT 1 ONLY								
5171	IRRIGATION PUMP (40%: BLVD PUMP)	10	3	9,005	3,861	5,144	1,715	10.21
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	TOTAL			9,005	3,861	5,144	1,715	10.21
UNIT 2-5 ONLY								
5170	IRRIGATION PUMP (60%: BLVD PUMP)	10	3	13,506	3,424	10,082	3,361	4.06
5330	HOA ALLEYS	25	24	60,000	0	60,000	2,500	3.02
5339	POOL: MECHANICALS	20	18	27,000	1,284	25,716	1,429	1.73
5340	POOL DECK	20	18	40,000	455	39,545	2,197	2.65
5338	POOL RESURFACE	20	18	40,000	455	39,545	2,197	2.65
5341	POOL: FURNITURE	10	8	9,000	2,380	6,620	827	1.00
5342	POOL: HOUSE: EXTERIOR PAINTING	7	6	11,180	5,180	6,000	1,000	1.21
5346	POOL: FENCE	25	7	11,211	2,937	8,274	1,182	1.43
5343	POOL: HOUSE: ROOF	40	19	28,420	2,760	25,660	1,351	1.63
5347	POOL: SOLAR ROOF HEATER	15	1	6,000	6,000	0	0	0.00
5349	POOL HEATERS	10	9	8,000	1,753	6,247	694	0.84
5348	POOL: RESTROOMS	20	18	21,000	2,032	18,968	1,054	1.27
5380	POOL PARKING LOT REPAIRS AND MAINT:	20	1	2,500	2,501	0	0	0.00
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	TOTAL			277,817	31,161	246,657	17,791	21.49
					217,324		43,888	56.17
5486	-Pine View Path Behind School (TBD)							
***	LAKE RESERVE PLAN FOR NEXT FOUR YEARS							

<p>THE LAKE RESERVE AMOUNT IS AN ESTIMATE BASED ON A LONG RANGE PLAN FOR LAKE MAINTENANCE WITH UNKNOWN AND UN-ESTIMATABLE COSTS DUE TO THE TIME FRAME INVOLVED. IN THE EVENT OF A MAJOR REQUIREMENT FOR DREDGING A LARGE LAKE PRIOR TO 2025 OR LATER, IT IS LIKELY THAT THERE WOULD ALSO BE A REQUIREMENT FOR A SPECIFIC ASSESSMENT TO MAKE UP ANY SHORTFALL FOR SUCH AN ACTION.</p>								

The above table is presented in accordance with Florida statute; actual costs and replacement timing may vary based on actual conditions. For better accuracy management recommends to have an annual reserve analysis performed by a qualified outside source.