

# Proposed Member Communication

For Board review and consideration

Jan4 draft ken

## **Update on the Haven Services Contract**

With Haven having exercised their option to terminate in September and with a 60 day off-boarding period to do so, BEMA and Haven have since agreed to extend the off-boarding period and together continue indefinitely and to correct and complete the transition of accounting to better prepare for whatever comes next.

In applying what we've learned about service priorities and value, the Board is pursuing a reduced scope and reduction of services to only Bookkeeping and Accounting.

In planning for the future, we have engaged Haven and other professional service providers for bids on Bookkeeping and Accounting.

The Board and Finance Ad Hoc committee are currently evaluating companies and their responses.

Below is an explanation of how we got here.

## **Why did we hire Haven?**

We entered into a contract with Haven as a trial and with optimism as a means of establishing a consistent and professional accounting for our BEMA operations and to reduce the workload for our dedicated but revolving volunteers and directors.

The objective was to be less dependent on volunteers for accounting and with an immediate benefit of allowing our volunteers to cleanup the past bookkeeping/ accounting and, with our CPA, to get our taxes filed. (We are currently in final review stage with CPA to begin the filings. Outlook is good.)

In addition to the Haven accounting services, we included some other services to the Haven contract but made clear that we were not turning the management of BEMA over to Haven. This is unlike the full management role that Haven has with other clients and therefore an unusual scope for their team and their system. We and Haven were willing to try and with a no fault termination clause for either party to walk away. No long term commitments. We'd give it a try.

One big factor in our decision to select and to proceed with Haven was proposed

economy of scale savings. In particular, Haven would bring a \$30k savings immediately by putting our staff in their insurance pool. And they would also relieve us of personnel admin and management for our staff. A strong proposal. We signed on. It didn't happen. There was no insurance savings and they backed off on managing our personnel. The Board maintained optimism despite this troubling development.

### **What does Haven do for Big Elk?**

Our association, BEMA, is responsible for managing the infrastructure and operations of the community. Our roads, the lake and dams, the water filtration, storage and distribution, metering, the maintenance of common areas and amenities and equipment. Also, the office administration and the hiring and management of our 3 staff. For all of this, Haven provides the bookkeeping, accounting, a 3rd party portal for access to member accounts and information and some ancillary admin services.

Below is the actual motion of last March for approval to proceed with Haven.

**“Motion to approve Haven Community Management (Haven) to provide various administrative services and support functions to Big Elk Meadows Association (BEMA)”**

It was made clear to Haven and to inquiring members of the community that Haven was not in a role of managing Big Elk and that their staff were not managers of or for Big Elk. Despite that important stipulation, the use of misleading names and titles confused many.

Our members see “Community Management” and “Community Manager” often. Management is what Haven does for other HOAs so it is understandably in their company culture and DNA. These titles are an indication that Haven does not identify as a services company. It causes their staff to think of us as a managed client and our members to believe that BEMA is a Haven Managed Community. It is not.

### **The Transition ....how'd it go?**

Haven proposed a 30 day onboard and we countered with a more cautious 60 day timeframe. They have experience with transitions so we had confidence. Transitions can be bumpy. Ours was troubled and delayed. And we now have finger pointing. In hindsight, the onboarding and transition required a certified professional project manager and formal project plan, tracking and reporting. We had none of this. It's a text book case of what happens. In September, Haven exercised their option to terminate the contract.

Haven continues to work with us beyond the contractual end date to help complete the

transition and in doing so helps ready us for what comes next. Very much appreciated.

**What have we learned about the fit and services to date?**

How did Haven do in administering the annual assessments? On water billing? On sending member communications? On managing the transition? On paying invoices? On their portal rollout?

The months of transition have shown that only the bookkeeping and accounting services have real value for Big Elk.

Haven handles member accounts, pays BEMA invoices and prepares financial reports but otherwise are not involved with management of critical infrastructure maintenance, front office or staff

For the accounting and ancillary service provided, Haven did well in many aspects but there were some unexpected delays and errors with the portal and member accounts, annual assessment, water billings and member communications.

For the ancillary services in particular, it seems that both we and Haven have come to realize that they have no real value for BEMA. A waste of our \$ and their time. Here are some examples.

Board Minutes - we paid extra hourly for Haven to do our Board minutes. Better done by Secretary or Office Admin. We recently dropped this "Haven Community Manager" task.

Member email Communications - having "Haven Community Manager" perform this merely added another step, another layer and slowed what was a simple process of emails from Board Secretary or Office Admin. Tracking down a part time "manager" in hopes of getting something sent is foolishness on their part and ours. It also confused members as to the source of content as it was sent by Haven.

ARC Admin - within the very limited part time hours for BEMA, the Haven Community Manager was to drive around the community once a month to look for architecture violations. That's silly. Haven does also provide a repository for ARC admin on their portal. But all of the ARC work and admin is done by our ARC committee. Haven really does nothing of value here.

Governance - within the limited part time hours, the Haven Community Manager was to drive and look for covenant or rules violations. In these first 6 months, there was 1

violation reported by a member which routed through Governance Office for investigation and draft warning letter, and approval by Board and then to Haven Community Manager for mailing and uplift \$ service charge. Just another layer in the process and additional cost. No value. Our Office Admin can do the mailing.

**What's next?**

The Board is applying what we have learned and pursuing a reduced scope of services to only Bookkeeping and Accounting services. We have engaged Haven and other professional service providers for bids on this service only. The rest seems best suited to BEMA volunteers and staff.

*\*This was drafted by one director and may not represent the opinions of the entire Board\**