

RVRMA EXECUTIVE BOARD
Record of Proceedings
Regular Monthly Meeting
Wednesday, January 23, 2019, 5:30 p.m.
The Ranch House Meeting Room

A regular meeting of the Executive Board Members of the River Valley Ranch Master Association, in the county of Garfield, State of Colorado was held on Wednesday, January 23, 2019 at 444 River Valley Ranch Drive, Carbondale, Colorado, CO 81623 with the following people present:

Executive Board of Directors

Yvonne Perry, President
Leslie Marcus, Secretary
Todd Richmond, Treasurer
Gary Lesser, Director-at-Large
Ben Johnston, Director-at-Large
Gary Harada, Director-at-Large

Management Representatives

Sterling Page, General Manager
Kendra Ford, Community Services Manager
James Maguire, Accounting

Homeowner Attendees

Susan and Marshall Olson
John Korusouladis
Katherine Cooney

Call to Order

RVR Executive Board President Yvonne Perry called the meeting to order at 5:30 p.m. A quorum was established.

Approval of Agenda

Secretary Leslie Marcus and Director Gary Lesser moved and seconded to approve the agenda. The motion passed unanimously.

Consent Agenda

Director Gary Lesser and Treasurer Todd Richmond moved and seconded the adoption of the Board Meeting minutes of December 19, 2018 and the Annual Meeting minutes of December 19, 2018. The motion passed unanimously.

Public Comment

There was no public comment at this time.

Announcements

- Music in the Round every second and fourth Tuesday of the month
- January 30: Women's Health Talk with Valley View Panel of Doctors
- February 1: Kids Movie Night
- February 7: Great Decision 8-week series begins
- February 10: Kids' Valentines Prints Charming afternoon craft
- February 10: Second RVR Poker Night

GENERAL UPDATE

For those who may not have heard my talk at the Annual Meeting, we want you to know the intention of the Ranch House staff this year is to keep the community “both entertained and informed.” We have really enjoyed the enthusiasm of members around the events we had this past year and plan to keep going with that inspiration. We are creating a variety of events and activities available for adults and kids. Some of our January events that have already happened have received fabulous reviews. The Poker Night turned out to be such a hit with those who attended, we are going to make it a monthly event which for now will be planned for Sunday evenings. The “Music in the Round” nights led by resident Don Marlin, will be continuing every second and fourth Tuesday of the month. The winter evenings around the Ranch House will start to fill up as the “Great Decision Series” led by owner Sandy Kister, will start the first Thursday of February and continue for eight weeks. We are also planning some kids’ movie nights for Friday evenings, after-school ping pong challenges, and monthly art workshops – to give a few examples. More to come! In keeping with the spirit of our Sterling and my “Meet and Greet” nights, our focus will be around getting to know new homeowners, as we have had so many opportunities this past year to spend time with many of our existing members. The new owners get together in October had such an excellent turnout we have decided to plan a similar evening for April. More messaging will go out about this closer to the event and we would love to have long-time members join in as well to get to know the new!

Sterling and I are looking to establish some set office hours when members can set times to come in and meet with us to discuss what is on their mind or run their questions or thoughts by us. This is to minimize the unexpected interruptions that diminish our management efficiency. We know everyone is counting on us to manage for the betterment of the greater community, and that’s why we’re putting in place these set office hours. We will have notices on this going out in the newsletter.

Human Resources

We are excited to be going into 2019 with the same fabulous staff that Sterling and I have been working with for a year now. We continue to have regular staff meetings and everyone on the team is fully engaged in best practices and exciting new plans for the Ranch House and community.

Programming

- January 22: Music in the Round
- January 30: Valley View Health Talk with panel of doctors
- February 1: Kids Friday Night Movie night in the Great Room
- February 7: Great Decision Series Part 1
- February 10: Kids Valentine Craft Workshop with Pam Porter
- February 10: RVR Poker Night
- February 12: Music in the Round
- February 14: Great Decision Series, Part 2
- February 21: Great Decision Serie,-Part 3
- February 26: Music in the Round
- February 27: Executive Board Meeting
- February 28: Great Decision Series, Part 4

Communications

The exciting news on the communications front is a new effort to update our already outstanding website. It's a joint effort among Jessica Hennessey, our Membership Services Coordinator, website expert and volunteer homeowner Laura Hansen and myself. We're all working closely with our web designer Footsteps Marketing on a fully new and updated website from both the user's viewpoint as well as our staff's. This is going to be a fun project to roll out to the community. The new website is going to allow us to make so much of our necessary information more accessible, postings easier and customizable and important messaging the community possible. With 65,978 initial visits to website (there are many pages visited within the layers) in 2018, it is evident this is a tool that is used immensely by a community our size and we are really thrilled to make it a great resource for you.

The member-only page will be set up so members can create their own login and password, as well as reset it themselves. Currently a member must reach out to Jessica in Member Services and have her reset it for them.

Kendra explained the timing for completion of the new website should be the end of February. We are not adding any new content to the website, we are cleaning up a lot of what is currently on there and creating a whole new look and format. Having Luran Hansen being a part of our initial kick off meeting was so incredibly helpful between her technical knowledge and homeowner perspective.

Gary Lesser suggested an opportunity to have members test the login area before it's launched, to be sure it is as easy to use as we hope.

Kendra shared the website analytics with the Board (attached) to give an idea of how often it is looked at and what content is most viewed.

Design Review Committee Report

There was one DRC meeting in the month of December. Here is the summary:

Lot: Y-10

Review Type: Preliminary

Address: 162 Sopris View Drive

(Don't we usually include lot owner's names? Maybe I'm dreaming)

Lot: GG-2 (Bowles Gulch)

Review Type: Preliminary

The summary for the previous meeting on January 10 and our upcoming of January 24 is as follows:

Lot: Y-02

Review Type: Revisions to Approved

Lot: HH-26

Review Type: Preliminary (first)

Address: 1165 Heritage

Lot: GG -2

Review Type: Final

Address: 103 Bowles Drive

Lot: Z-23

Review Type: First Preliminary

Address: 406 Crystal Canyon

Lot: JJ-9

Review Type: Preliminary

Address: The Fairways on Crystal Bridge

Lot : EE-14

Review Type: Revisions to Approved

Address: 832 Perry Ridge

Lot: FF-06

Review Type: Final

Address: 700 Perry Ridge

Operations Report- Sterling Page

Finance

- **RVRMA:** The Colorado Department of Unemployment Insurance audited our 2017 employees and subcontractors in August 2018. The report showed that we had mis-categorized several individuals as independent contractors when in fact they should have been classified as employees. Our requirements for working as an independent contractor have been reviewed by counsel and our insurance provider. We are now compliant with Colorado State law.
- **Budget Report:** The 2018 budget report is available. It shows that we operated within the budget for the year and should realize a surplus, which will be moved to the RVRMA capital reserve fund by motion at the next board meeting.

Governance

- **Covenants, By-Laws, Resolutions and Policies:** An effort is underway to establish a policy, process and fines schedule in reference to things like trash, parking, trampolines, and nuisance problems. Your input is needed to establish fair and manageable policies that coincide with each other, considering VRBOs and rental properties. We would like to possibly establish a permit process for campers and trailers that is good for a set time period, and then the management knows it is legitimate and the community knows it complies. This would be a more proactive way of dealing with compliance rather than fining for non-compliance.

Yvonne noted there is a very old fine schedule but nothing current in place and so there is a need to come up with a new more meaningful fine schedule that also allows for some room for first and second offense before fining too steeply. She noted that trailers and RVs create the most issues – because of complaints we receive, and time we spend monitoring them.

It was also suggested a fine schedule could also take into consideration revoking of Ranch House privileges under the guidelines of “member in good standing.”

Yvonne asked if Sterling was willing to start compiling ideas of what the fines would look like and how it would play out with each violation.

Grounds

- **Common Areas:** Graffiti was reported on the stop sign and post at the intersection of Holland St. and North Bridge Dr. The Town of Carbondale replaced the sign and our crew sanded the post to remove the profanity.
- **Parks:** We need to replace some of the playground equipment in Triangle and Orchard Parks as well as at the Ranch House. Leslie Marcus has asked to work on this with me to compile a list of necessary equipment and a plan for Board approval. Bids are being collected for work on other repairs at Triangle Park; the building, the backstop and timber rail are in a state of much-needed repair.

Irrigation

- **Employees:** With Magdiel Vega gone, we are beginning to look for a master irrigation technician to lead the irrigation program starting this spring.
- **Water Management:** We cut back our water usage significantly last year because of the drought, not sure why we would ever go back to watering as much as we have in previous years. We will be working with Chad to re-program the water system. We will have to schedule watering times for the upper bench area as there isn't enough pressure available for everyone to water at the same time. We have 29 areas where water management needs to be figured out. John Korusouladis suggested implementing a swing valve system with a remote.
- **Water Budget:** We are happy that RVR golf superintendent Chad Weaber is back and working on the annual irrigation budget for 2019. We should have this budget by the end of January.

Operations

- **Insurance:** Our insurance agent, Bev Beck with Neil-Garing Insurance, reviewed our policies and confirmed that our coverage meets both our governing documents and CCIOA state requirements.
- **Trees and Landscape:** We need direction from the Board of Directors and the community on the issues of tree replacement, landscape of common interest areas in the community and a master plan for management of our 'forest.' Along with this community conversation comes the request by those building new homes to reduce the number of plantings required. There are numerous rules in the DRC guidelines that might be adjusted to meet CCIOA requirements such as Xeriscape or drought-tolerant plantings and defensible space needs. This conversation should include Xeriscape and defensible space needs. Would the Board be interested in a task force with a charter to discover needs, requirements and desires of the community?

The Board agreed a landscape subcommittee should be formed. Gary Harada will be the Board liaison.

- **Employee Handbook:** The RVRMA Employee Handbook is in review with help from the Board of Directors and homeowner Cathy Cooney, a retired Human Resources executive.

- **Software and IT Task Force:** Several members of the community were asked to help with a review of current databases and processes. Home owner Laura Hansen, Hugh Sontag, and RJ Spurrier met with Yvonne, Sterling, Kendra and RVR accountant James Maguire to define current processes and problems that are encountered with our software and systems. This committee will meet monthly to review and make suggestions. The next meeting will be January 29.

Finance Report – James Maguire

- We did get an offer from the state to waive penalty and interest from the Employment audit, if we waive our right to appeal to it. The offer is for RVR not to pay a fine, but pay only the premium on the employees, had they been defined as such at the time. The board approved paying the amount required by the state.
- The financial statements are done for 2018. Our year to date budget and actual we were over budget of \$94,410 in income for the year. The majority of that came from non-collectable assessments we had not received for quite a few years from one builder and it was paid out this year. The interest and late fees income were over budget by \$14,000. The DRC fee income was over budget by almost \$21,000. A few of the others which were well over budget were guest fees and concession sales. As for the expense the significant item the wages: over budget by \$55,7000 and under budget on payroll taxes by \$17,000. For the total grounds and maintenance, we were under budget by \$65,000. Sterling noted the wage increase is related to moving some projects from contracted work to staff we already had available so, there are some other areas where we are significantly under budget as a result. Also, we did over shoot (what does “overshoot” mean?) the budget on summer staff, but we will adjust that this summer. In November we transition two seasonal employees to full-time year-round positions, which affected the wage number as well.
- Legal expense budget was over by \$23,000 due to golf course situation and golf consulting.

In summary, we budgeted almost \$2.1 million in expenses and we came out at just about \$2.1 million, so the actual was within \$20,000 which is one percent.

The total income was higher than budget with a surplus of \$106,000.

James noted that he converted all homeowners to 2019 rates and adjusted about 300 auto payments with the banks. He is touch with most of the owners who paid the incorrect amount in January and they are cooperating to get the remainder paid.

He is also working with Woodbridge on reconciliations and late fees and outstanding credits. They are selling off quite a few of the lots and we are collecting old late fees through the title company at closing.

James explained the current staff credit card situation. He said there is one communal credit card for the employees to pass around and use; instead, he is requesting three additional cards in staff names that could have a limit and. This would make it much easier to track spending. The limit on the existing card is \$5,000. After some discussion the Board agreed it would be a more efficient to issue the separate cards as needed.

Tax returns needs to be filed so we are going to interview some CPAs to file for us. We have had a suggestion of a CPA in Vail who does taxes for HOAs. We will report back to the Board with our findings.

Old Business

- Violation and fine schedule discussion. This was discussed during Sterling Page's operational report.
- Short term vacation rentals

Research so far has identified there to be about ten VRBOs in RVR.

Leslie reported that in her discussion with some Town of Carbondale officials to understand their policy on short term rentals, they shared they have not found any way to regulate short term rentals or a legal standing at this point for restricting them.

Gary Lesser expressed his concern with allowing short term rentals in RVR, without restriction, and what that could look like in the future. There may be only 10 now but in a matter of just a few years this number could grow significantly. He shared that his experience in a previous community where the number of the short-term rentals inched up slowly and then got to a stage where it became a very divisive issue in the community. He believes that although this is not seemingly an issue now it will become one and we need to decide what kind of a community we want in the long term. He feels the Board owes it to the community to take a closer look at this issue.

Yvonne explained that the understanding of our covenants is that in order to prohibit short-term rentals it would have to go out to a vote, and it is important to find out what the problem is with short-term rentals, and if and why the community cares about them. Also, is there a way to manage the issues which arise from short term rentals with rules and fines. She also noted our governing documents do require if a house is rented, the owner provide a copy of the rental agreement to the RVRMA and if we enforce this with short-term rentals, we could have a better awareness of issues related to them.

Leslie suggested we consider a survey to the community to see what the overall experience, thoughts and concerns might be.

- "One percent" lot ownerships and memberships

Yvonne explained that a couple of years ago when the membership and guest pass policy was changed the memberships through fractional lot ownership was also prohibited moving forward. There were existing one percent ownerships in place at the time; these have been grandfathered in to date. There has been some discussion around sunseting those types of memberships allowed through fractional ownerships at some point in time.

In the cases of existing one percent ownerships some of the primary lot owners did go through the legal channels and process to reflect the one percent ownership and have it legally recorded. In auditing the one percent owners, it appears there are others where the one percent is not official or recorded.

It was decided at this time to let the existing legal one percent ownerships stay in place and end those which do not have any legitimate record of ownership. As per the Revised Rules and Regulations of June 2017 there will be no further memberships allowed from fractional ownerships.

- Golf Update: release of Billy Casper Golf Report

Motion A: Resolved, that the RVRMA Executive Board accept final Billy Casper Golf report, the version contained in e-mail from Michael Cooper to Gary Lesser, dated Jan. 17, 2019.

Motion A was moved and seconded by Director Gary Lesser and Secretary Leslie Marcus. The motion passed unanimously.

Motion B: Resolved, that the RVRMA Executive Board agreed to distribute the report to all RVR property owners, via e-mail with a link to the full report. The e-mail, and report, should be distributed the week of Jan. 28, 2019.

Motion B was moved by Director Gary Lesser and seconded by Secretary, Leslie Marcus. The motion passed unanimously.

Marshall Olson asked if there is a summary of what was discussed at the fireside chats and if there was a published tabulation of the opinions expressed at the chats?

Leslie Marcus explained the golf fireside chats were just intended as discussions and an opportunity for owners to be able to share their concerns and questions but without recording what everyone had to share. It was stated from the beginning that minutes would not be taken. She also noted nothing has been presented to the Town of Carbondale by the new owner yet.

Yvonne has asked Red Cunningham, who is leasing the golf course from Dan Coleman, to sit down and talk and he has not agreed to do that yet. Everything the Board knows at this point regarding operation of the course in 2019 is word of mouth. We would like to see the golf course be successful and do what we can to help support them, but we just do not have enough information yet to share anything with the RVR community. In terms of any new information pertaining to golf course, the community has been kept updated every week through the newsletters and golf updates posted on the website.

Marshall expressed concern about the public's perception about what is going on at RVR and the golf course issue as it relates to property values and interest in purchasing property here. He would like to see positive PR to make RVR important again.

New Business

- Approval of DHM Open Space Contract and Cost

Motion C: Resolved to accept the DHM Open Space proposal, dated Jan. 22, 2019, at cost not to exceed \$12,000.

Motion C was moved by Director Gary Lesser and seconded by Director, Gary Harada. Motion passed unanimously.

Gary Lesser explained the billing process with DHM will be cost of actual expenses, not to exceed \$12,000.

Yvonne further explained the idea is to have a comparison basis so we know if RVR went to open space what it would look like, and cost, versus a golf course.

Todd Richmond requested the open space study includes an option of what the bare minimum would look like cost wise. He described the bare minimum as just letting it go to seed and irrigating it. This option would show what the cost would be if we don't worry about park space, but just a natural state which would require minimal long-term maintenance. Todd felt this is important to understand, as it bookends the other two options for a full picture of possibilities.

- Water Management Plan (this was discussed during operational report)
- Amendment to DRC Guidelines, re construction hours

Kendra Ford proposed an amendment to the DRC Guidelines section 9.11 Construction Activity Times. The reason for the change is to align the weekend hours with the Town of Carbondale's municipal code, as well as to restrict construction activity on national holidays.

Motion D: Resolved that the Board approve the 13th Amendment to the RVRMA Design Guidelines changing the Saturday construction activity hours to coincide with the Town of Carbondale's to be from 9 am to 5 pm and to further restrict construction activity on national holidays.

Motion D was moved by Secretary Leslie Marcus and seconded by Director Gary Lesser.

The Board discussed the need for specification of what exact holidays construction activity will be restricted.

Amended Motion D: Resolved that the Board approve the 13th Amendment to the RVRMA Design Guidelines changing the Saturday construction activity hours to coincide with the Town of Carbondale's to be from 9:00 am to 5 pm and to further restrict construction activity on *specified* holidays.

Amended Motion D was moved by President Yvonne Perry and seconded by Secretary Leslie Marcus.

- Passing of Board Vice President Ron Rouse and open seat

Yvonne shared with those who may not know that we lost Ron Rouse on January 10 and we will fill his seat in the next month or to. Executive Board Secretary, Leslie Marcus expressed how grateful the Board is for Ron's service to the community and his commitment. His experience and knowledge will be greatly missed. He was a good friend and the Board thanks him and Jan and his family for his service.

Adjourn

The meeting was adjourned at 7:50 pm.

Executive Session

The Board went into Executive Session to discuss personnel. The meeting was adjourned at 9:45 pm.