



RIVER VALLEY RANCH

2018 ANNUAL MEETING MINUTES Wednesday, December 19, 2018, 6:00 p.m. The Ranch House Great Room

Executive Board of Directors

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

RVRMA Staff

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

Welcome and Introductions -Yvonne Perry

Yvonne Perry addressed the community.

Thank you all for coming. I know it is a busy time for all of you and I appreciate you being here tonight. It has been a busy month for the Board as well; answering budget questions, doing the golf fireside chats and preparing for the holiday festivities.

I hope you enjoyed the holiday festivities here at the Ranch House. We all appreciate how hard the staff worked to pull it all together, and we're grateful for their efforts all year long making our other events successful.

State of the Community Update -Yvonne Perry

- **Introduction of new board member**

I would like to introduce our newest Board member, Gary Harada. Gary has been on the Landscape Committee, the Covenants and Bylaws Review Committee with me and on the Executive Search Committee for a new community manager. He also brings decades of business experience that will make him a great addition to the board.

I can't thank my other fellow board members enough for all they have stepped up to do this year.

- Ron Rouse, VP
- Todd Richmond, treasurer
- Leslie Marcus, secretary
- Gary Lesser, golf committee chair
- Ben Johnston



RIVER VALLEY RANCH

I also want to thank Sterling and Kendra for leading the charge. They are invaluable. We will hear from them a little later.

- **Budget Ratification**

Let's begin by talking about the 2019 annual budget. I'm pleased to tell you the budget passed and was ratified at the board meeting a few minutes ago.

For any of you that missed all our communications about the budget, we raised the HOA Master Association's dues \$15 per month. \$5 was directed to the operational budget and \$10 for the capital reserve budget. This is the first increase in dues in 4 years.

The \$5 increase was primarily due to expected legal and consulting fees for the golf course situation. The new monthly amount, for Master Association Dues, for ALL RVR homeowners, is \$292 per month.

Starting the first of the year, you're all going to have a new amount to pay each month. Here's a quick review:

First, Custom Homes and Lots. If you have a completed home, you'll pay \$342 per month. If you just own a lot, or your home isn't finished, you'll pay \$292.

If you live in the Settlement, your new monthly amount is \$547. That includes your Master Association dues, as well as special services, paint reserves, trash and irrigation water.

If you live in Old Town, your new monthly amount is \$455. That includes your Master Association dues, as well as special services, paint reserves, trash and irrigation water.

Finally, if you live in Crystal Bluffs, The 24, or the Boundary, your new monthly amount is \$315. That includes your Master Association dues, and trash collection.

As I mentioned earlier, your \$15 per month increase in Master Association dues includes \$10 for Capital Reserves.

Let me introduce Todd Richmond, our Board Treasurer, to talk briefly about the capital budget.

- **Capital Reserves-Todd Richmond**

Todd Richmond noted the Capital Reserve is 100% funded. This is based by (on?) an independent consultant that comes in every couple of years and takes a full inventory of all assets, and projects out about 20 years and determines how much will have to be spent for repairs and maintenance and how



RIVER VALLEY RANCH

much should be on hand as RVRMA progresses through time. Based up on the most recent assessment, over the next four years the big expense buckets will be irrigation (\$350,000), the pool (\$330,000), the Ranch House (\$250,000) and tennis courts (is the \$250K for Ranch House AND tennis courts, in which case the amount should go AFTER tennis courts) along with parks and playground equipment (\$100,000). Sterling is assessing how everything is wearing and if it is better or worse than anticipated and then getting quotes on the items that need attention.

There was a question regarding whether an audit of the RVRMA finances has been done.

Todd stated an audit has not yet been done but it is planned. He further explained there are two options being discussed. Either an audit or a review to be scheduled. It was originally planned for this past year, however, the reason this was put on pause was because the estimated cost was \$10,000-\$15,000 and the Board was concerned about adding this additional cost on at the same time they are trying to prepare for the anticipated legal cost for the golf course issues. This has been budgeted to be delayed a year.

- **Golf Update**

Addressing the golf course situation has taken up a lot of the Board's and communities time and energy. After Dale Rands left us with his golf demands last summer, we established a Golf Advisory Committee to evaluate our options and try to determine the effects of a course closure on our beautiful community, which has a golf course as the center piece.

I want to personally thank, Gary Lesser, Ron Rouse, Leslie Marcus, Paul Perry, Bob Emerson, Brian Leasure, Jeff Davlyn and Michelle Hagemann for their tireless efforts. They have met every week and sometimes twice a week to see us through the ever-changing situation evolving on the golf course.

Billy Casper Golf, our consultant, has just about completed its report on the financial integrity and impact of the course on property values if it were to close. We will be making the report available to all RVR homeowners very soon.

We are also underway with our open space cost and feasibility analysis and hope to have that completed by the end of January.

We had 4 small group golf fireside chats in November and December that were very helpful for the Board and Golf Committee to better understand the community's concerns, desires and opinions. We walked away with a feeling that no one supported additional development to our PUD that would change the nature of our residential community that we all love as it is. I hope these gatherings helped answer many of your questions.

We will continue to have these small group discussions in January and should have the new dates available soon.



RIVER VALLEY RANCH

There was a question regarding the bridges that go over the river to the golf course and whose responsibility it is to maintain them.

The bridges belong to the golf course and Yvonne noted Sterling will address this with them.

I should remind you that, as much as we talk about this as a golf course issue, it's not about golf. It's about our community ... how we ensure its long-term sustainability, how we prevent development that changes the nature of the RVR community, and how we preserve your property values.

- **2019 Board topics**

Over the next year, our Board is going to address some important issues relating to future planning.

- Short-term rentals in our community, like VRBOs, and Airbnb's
- Enforcement of our covenants and bylaws
- Long-range space planning, as today we are only about 2/3 built out. Do we have enough space in our common areas to support another 30% of folks?
- And, better computer systems for tracking and maintaining information

We have suggested that we have a technology task force of a few homeowners who are experts in this area. They'll make recommendations to better meet the needs of our members.

What's the Board doing? A lot.

But you wouldn't know that unless we tell you. So, we also plan to share more next year about what the board is doing that is not golf related. We always encourage the community to come to the monthly board meetings, but in case you can't, we want to you to see what else we are working on.

Hopefully, next year at this time we will be able to report on the progress of many of these issues.

You've heard enough from me. Let me introduce our General Manager, Sterling Page, to share some of his thoughts.

Operations Update-Sterling Page, General Manager

Sterling expressed what a great place RVR is to work and his gratitude for his time here this past year. He summarized some highlights of some significant operational items that were accomplished this year.



RIVER VALLEY RANCH

He noted that with the cooperation of Owners and the water rationing this summer, we saved over 10 million gallons of water as a community; the water stayed in the river instead of our grass. We will continue this progress into next summer. Sterling noted he has also been working with CSU on soil sampling and some recommendations with how much fertilizer we should be using and during what time periods in order to maintain our turf and trees and not wash all the nitrates through the soil.

There were small effective projects around the community, such as moving the summer concessions from inside the Ranch House to outside by the pool and tennis courts. We also just finished adding some additional parcel lockers in the mail room.

This year some of the capital projects coming up will be the playground equipment here at the Ranch House as well as Triangle Park.

We will be purchasing some significant equipment related to HVAC and Pool. For example, if we need to change out our heat exchanger, it takes four weeks to get it in so we will have it here ready to go in when needed with no down time.

It has been a great year, there were a lot of twists and turns we didn't expect but the community is resilient, and Sterling expressed a great appreciation for the staff who work conscientiously together and the Board who has what seems like a full-time job here.

Ranch House and DRC Update - Kendra Ford, Community Services Manager

Kendra expressed the intention of the Ranch House staff for 2019, is to keep the owners both informed and entertained. She noted as an example, January will bring "Music in the Round" evenings on Tuesday nights, a Poker Night, and a Health Talk with Valley View. Then a "Great Decisions" discussion series will start on Thursday evenings in February and run through the end of March. Sandi Kister will be facilitating those evenings. The staff is working diligently on many other event ideas including a St. Patrick's Day party as well as some other possible spring events (Kentucky Derby, Mardi Gras etc.).

Kendra addressed the ongoing questions about how much the golf course uncertainties have affected the interest in building in RVR and what is currently happening with DRC activity.

2018 DRC Activity

8 single family homes completed

8 under construction

5 currently under review

Approximately 6 new homes for the agenda in January and February



RIVER VALLEY RANCH

State of the Real Estate -Brian Leasure

It's an annual tradition at these meetings to hear about our local real estate market from Brian Leasure, of Destination Holdings. Brian came all the way over from the Barn for this meeting.

Brian explained that since 2011 the market has been on a steady upward trend. Thirty-two RVR homes were closed in 2018. This compares to 27 closed in 2017 and 25 closed in 2016. The average price is right around a \$1 million. Aspen Glen closed 27 homes this year with an average price of 1.75 million, but this average is skewed a little bit by a \$2.3 million and \$2.5 million sale. He expressed the interesting piece about 2018 with RVR sales, is there were about four homes which sold above 1.2 million. There is a two- to three-year supply in that price range. Some people decide when they get into that price range they would rather build, however the inventory of the premiere home sites is limited, so that should trickle into higher custom home sales. In 2018 there were 28 sales below \$1.2 million, there are currently five homes listed below that price point. He further noted, there has been good volume on the land market this year. -Twenty-eight homesites closed in 2018 and there are currently 48 more on the market. This compare to 8 homesite sales in 2017. The average price homesite sale price is about \$182,000.

Closing Comments -Yvonne Perry

We have a great community. I and the other board members are doing this job because like you, we love living here.

The folks we live around are lovely, warm, welcoming and are having a lot of fun living life. We all love living here. On behalf of the Board I thank you for coming out to be a part of this evening.

The Annual Meeting adjourned at 6:48 pm.