

RVRMA EXECUTIVE BOARD
Record of Proceedings
Regular Monthly Meeting
Wednesday, November 20, 2019, 5:30 pm
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, November 20, 2019, 2019 at 444 River Valley Ranch Drive, Carbondale, Colorado, CO 81623 with the following people present:

Executive Board of Directors

Yvonne Perry, President
Gary Lesser, Vice President
Todd Richmond, Treasurer
Ben Johnston, Secretary
Gary Harada, Director-at-Large
Cathy Cooney, Director-at-Large
RJ Spurrier, Director-at-Large

Management Representatives

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

Homeowner Attendees

Wolf Gensch
David Thickman
Leslie Marcus
Lani Kitching
Valerie Miller
David Miller

Call to Order

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

Approval of Minutes and Consent Agenda

MOTION: *Vice President Gary Lesser and Directory Cathy Cooney moved and seconded to approve the agenda and the adoption of the Board Meeting minutes October 23, 2019. The Motion passed unanimously.*

Public Comment

There was no public comment at this time.

Announcements

Notable Dates

Nov. 28: Thanksgiving Day – Ranch House Closed

Nov. 29: Ranch House opens at 8:00 a.m. (weekend hours)

Programming

Upcoming Events

Dec. 2: Budget and ballots available at Ranch House for pick up

Dec. 6: Remaining budget and ballots mailed out

Dec. 7: Annual RVR Holiday Party

Dec. 18: Annual meeting

Dec. 18: 2019 Annual Meeting, before Executive Board Meeting

Kendra pointed out the change to the upcoming Annual Meeting, which will be a very abbreviated version of meetings in past years. The meeting in July will now become the official Annual Meeting with reports and updates from the Board and Management.

Ranch House: Operational and Finance Reports

RANCH HOUSE REPORT: Kendra Ford

GENERAL UPDATE

Daylight Savings Time hours in effect: Ranch House weekend hours have shifted with closing at 7:00 pm on Saturday and Sunday. Historically the Ranch House closed at 6:00 pm during the winter weekends. Last year we extended it to 7:00 pm and found the additional hour was used and enjoyed enough to continue with that timing again this year.

The Ranch House staff is busy at work with getting everything in place for the budget ballot packets/ mailing, which will be underway once the Board has voted to approve the proposed 2020 budget. We are also spending time as a team, reflecting on what did and didn't work in 2019 and the strategy for implementing changes and improvements in 2020 in all areas: events, fitness, hospitality and member services.

We had a New Owners Happy Hour on November 7 and four new owners (two couples) attended. There have been sixty-two sales in RVR year to date. Fifty of those sales are associated with people who are new to the community. The goal is to personally welcome and connect with current new owners and future ones, so they can understand all RVR has to offer them and get them familiar with us, as well as our process and procedures. Jessica (Member Services) and I are working on a process to make this happen as well as a new member orientation opportunity.

The planning for this year's Annual RVR Holiday Party is in full swing! The party will take place the evening of Dec. 7 from 6:00 pm to 9:00 pm. There will be heavy appetizers passed much like last year, and because there was such excellent feedback on the food last year, we were excited we were able to book the same caterer in advance. We are looking forward to having him back. We will have some classical entertainment and I know Jules is working on some excellent new ideas for getting owners to mix and mingle and have fun with each other.

The Annual Meeting this year will be a very abbreviated version from the past meetings and held just before the December Executive Board meeting. This will not be a food-and-beverage event and no specific presentations will be made. The transition for 2020 will be to transition the summer Annual Community Gathering to the official Annual Meeting. There will be a significant amount of messaging around the changes this year, as we get closer to December's Annual Meeting Date.

Communications

Our new website is live, and we love the look. We have however, discovered that in the process of moving over the immense amount of information and hundreds of links from the old to the new, there were some parts and pieces either missing or mixed up. With Jessica's work and direction most of this has been corrected although we do come across a few oddities still. We are also continuing to move around some areas of the website on our own as a result of being active in the new platform and getting a feel for how to best navigate it. We are highlighting various sections of the new website in the weekly newsletter to help everyone better understand all the resources and answers to most questions are available there to them.

Although the Member Directory appeared to be dialed in, when the new website launched there were some issues with the coding that had to be addressed. Right now, if you go to that area you will see "Coming Soon" and we will absolutely message the community when it is live. We anticipate the timing to be next week.

Design Review Committee Report for October 2019

There are currently 17 houses under construction, 5 in the permitting process and 5 new homes in review.

Since our last Board meeting the following have been in front of DRC:

Lot: Z-27

Review Type: Preliminary Review

Lot: D-20

Review Type: Second Preliminary

Lot: KK-11

Review Type: Final

Lot: Y-12

Review Type: Pre-Design

Lot: J-09

Review Type: Pre-Design

Lot: GG-15

Review Type: Pre-Design

OPERATIONAL REPORT: Sterling Page

Governance

- Covenants, By-Laws, Resolutions and Policies.
 - Budget, Budget, Budget.
 - The board discussed the RVR business directory (Biz-Buz) and its usefulness to the community. It is an expensive and time-consuming effort with limited value, as our directory is only links to their websites. It is easier to just search for services online.
 - Membership fees for access to the Ranch House will be going up \$5 per month for ADU, Summer, Seasonal and Thompson Corner residents beginning January 1, 2020.
 - Membership fees for Tennis will be increasing for the 2020 season.

Facilities

- Ranch House
 - The Master Association provided a dumpster for the use of the community for the disposal of leaves and limbs. It was filled to capacity twice.
- Pools & Tennis
 - The south end of the courts will be covered in an effort to keep moisture from accumulating in the shadows and slowing down the opening process in the spring.

Grounds

- Plans for the replanting of trees in the Heritage ponds area are available for viewing at the Ranch house and will be posted in the RVR newsletter for review. Likely, we will get the trees planted in the spring.

- Plans for the playground equipment in Triangle Park were approved by the Town of Carbondale Parks and Recreation Board. Preparations for the new equipment will begin in the next week and continue as the weather permits. This work will be completed by RVR maintenance with the help of the manufacturer and sales representatives.
- Rocky Mountain Custom Landscape has completed the scheduled three leaf cleanups around the common areas and neighborhoods.
- We received our Nursery License from the State of Colorado. This allows us to purchase trees and shrubs wholesale, saving hundreds of dollars per tree.

Irrigation

- Water Usage 2019 (gallons)
 - Total RVR 100,526,666 44%
 - Total Golf 126,957,999 56%
- Main Line and Cla-Valves
 - One of three large cottonwood trees was removed near the 3rd hole and 4th tee box because it had grown into the Cla-Valve and main line meter vault. The vault will be dug up and rebuilt during this off-season.

Operations

- Old Town
 - Mid Valley Painting has completed the painting of homes.
- The Settlement,
 - Our snow removal contract begins November 15 each year. Our staff took care of the Halloween snow removal on the North facing driveways. We were notified that it was much appreciated.
- The 24, Boundary and Crystal Bluffs have nothing to report.

Sterling noted the new playground equipment chosen by the Playground Committee for Triangle Park was approved by the Town of Carbondale. The RVR maintenance crew will start taking down the existing equipment in Triangle Park in the next few weeks and that area will be fenced off.

He also clarified the RVR crew did not have time to replant trees at the Heritage pond area this fall but the plan is to start this in April, the timing will be weather dependent.

FINANCIAL REPORT: James Maguire

1. For the month of October, actual income exceeded budgeted income by \$494 which is less than 1% variance. As for year-to-date, we are within only a 2% variance of budgeted vs actual income. We budgeted \$2.08M and received \$2.11M.

Total expenses (COGS + expenses) came in \$13K over budget for October and \$110K under budget for year-to-date. The main variances continue to be in Wages (\$40K), Golf Legal Expenses (\$35K), Tree Maintenance (\$13K) and Other Admin Expense (\$31K).

One factor contributing to the Wage difference is replacing an employee cleaner with an outsourced contractor cleaner. Hence why Cleaning Labor is \$30K over budget.

2. Regarding Accounts Receivable, we have one homeowner who hasn't paid dues for two months and has stated that they do not intend to since their house is up for sale. Late fees and interest have been applied. According to the RVRMA collection policy adopted in April 2013, any accounts over 90 days past due shall be turned over to our attorney for collection and to file a lien. If the house sells before then, we will be able to recoup the total balance due from the title company.
3. In October, we used reserve funds to purchase equipment to assist in the maintenance of our grounds. These purchases will save us money in the future by eliminating the need to rent the equipment at inflated prices. We also put down a 50% deposit (\$1,350) on seal coating the alley in Old Town.
4. We have engaged Porter & Lasiewicz to perform a full audit on the 2019 financial records. The audit will take place in February, although I have begun some preliminary work with them. I believe this will be the first full audit of RVRMA. The total cost will be \$8,150; this amount also includes filing of our 2019 tax return.
5. Trash service will transition to the Town of Carbondale on April 1, 2020. I am in talks with the Town about how to make for a smooth conversion. Information will go out to homeowners by the end of the year. I will have more details by the next Board meeting.

VII. Committee Reports

- **Landscape Committee**

Nothing to report

- **Golf Committee**

The committee is developing an analysis, comparing the Billy Casper Golf report and the DHM Open Space Report. The analysis is meant to address a range of scenarios, and to provide the Board with comparative data to understand operational and capital costs of these scenarios.

The committee and Board are planning to meet with RVR Golf operator Red Cunningham on December 4.

- **Governing Documents Committee**

The committee has met four times over the past two months.

The committee is reviewing the RVR Covenants, looking for provisions that are out-of-date, irrelevant, or out of step with today's RVR (the original document was written 25 years ago). The committee will divide its findings into two primary categories: "housekeeping and streamlining" and "substantive issues." Housekeeping includes items like deleting references to the "Declarant" (the declarant no longer exists), referring to terms like The Design Review Committee consistently (it's called both the Design Review Committee and Development Committee), and inserting the existing Amendments into a single document. Substantive issues include items like vehicle parking and storage, and short-term rentals.

- The committee's next meeting is Nov. 25 at 6 pm in the Ranch House Meeting room. At that meeting, the committee will discuss its findings from the Covenant review described above.

- **Playground Committee**

Committee co-Chair Leslie Marcus reported there is an approved plan from both the Town of Carbondale and RVR for immediate replacement of equipment. The next steps will be to look at the equipment to go in Orchard Park and the playground area at the RVR pool. Committee co-Chair RJ Spurrier and Leslie are currently working on a survey to go out to the Community to get some understanding of what they would like to see there.

Gary Harada suggested a plaque or designation of some kind at Triangle Park to indicate/acknowledge that the residents at River Valley Ranch created and funded the new playground equipment at Triangle Park.

RJ noted the survey of RVR Homeowners on their preferences for Orchard Park is going to guide the priority for the next phase. The survey is expected to go out in the next few weeks. They also plan to have a more formal meeting of the Playground Committee in early December.

Leslie acknowledged Eric Brendlinger (Director of Town of Carbondale Parks and Recreation) and Jay Harrington (Town Manager) for their support and cooperation in the process. She also wanted to thank RJ Spurrier. He recognized the tremendous efforts from Leslie and stated that her diplomacy with the Town has significantly strengthened RVR's relationship with the Town.

- **IT Committee**

James explained the plan is to move all the databases over to QuickBooks the first of the year. The CSI license continues until April so everything will transition except the new check-in program that interfaces with QuickBooks. There will be some rolling out of this system while CSI is still current.

VIII. Old Business

- 2020 Proposed Budget Q&A

Todd Richmond explained the Special Services assessment for Old Town is staying flat and painting reserve is going up \$5.00 and that has not gone up in past two years. The proposed budget will reflect the capital reserve assessment of \$58,500 to \$62,400. <this sentence doesn't make sense to me – GL>

Yvonne noted the increase in dues will be \$2.00/month to support operations and \$4.00/month for reserves; total monthly increase is \$6.00.

Lani Kitching had a list of questions to ask about the budget. They are as follows:

Q: What percentage of the 2017 Reserve Fund was drawn down to fund the RVR Golf Course due diligence?

- Answer: None. The funds came out of the operating account.

Q: What is included in the irrigation reimbursement assessment? What entity is being reimbursed and specifically for what services?

- Answer: The irrigation assessment is a fixed amount and it funds the irrigation and water bill that is paid to RVR Golf.

Q: There is a \$9,000 operating surplus in Settlement special services. Will this apply to 2020 services?

- Answer: This will rollover to the reserve.

Q: Operational income reflects homeowner reimbursement assessments. What are these defined as?

- Answer: These reimbursements relate to the irrigation and then the change once the trash fee will no longer be collected once the Town of Carbondale takes over.

Q: What falls under the category of “other income”?

- Answer: Event fees collected, concession sales, DRC fees etc.

Q: Personnel and Wages amount went up the budgeted amount and increase feels big for this size operation.

- Answer: The jump in amount is primarily for replacing Magdiel (salary, benefits etc.) He was not replaced this year and it needed to happen in 2020.

Q: What falls under irrigation expenses?

- Answer: Cla-Valves and other repairs and maintenance and payment to RVR Golf.

Q: What are community expenses?

- Answer: Events, website, parties etc.

Leslie Marcus inquired about the projected DRC income versus the final DRC income.

- Answer: It was budgeted at \$45,000 and right now it is forecasted to be at \$90,000.

David Thickett questioned the Reserve accounts which have increased by about 9% and he questioned why this is.

Answer: This is accounting for expenses in the next year and years to come as the community structures and property age. There are quite a few projects in the next two or three years which will draw on the Capital Reserve.

Overall the homeowners’ questions were around understanding certain categories and the related numbers.

Valerie Miller mentioned last year they sat down with Sterling to go over the reserve account. She requested the reserve study and balance sheet be published for the owners. It was noted the Reserve study is on the website on the Finance page.

Todd Richmond explained there is a difference between the actual reserve study and what gets executed and the expenses attached to the projects can change over the years. Todd also noted the current reserve balance is \$1.4 Million.

Valerie expressed her personal belief is the golf course “issue” will not go away. She suggested there be a separate fund for addressing golf course expenses for whatever path ends up having to be taken. Yvonne noted last year the Board budgeted for golf course expenses and it was not all spent so it is going into reserves.

The sense of the Board is the Community would not agree on an increase in funding right now as it relates to the golf course. Yvonne expressed that she wished more people were thinking about it in the way the Millers are because the issue has only been pushed down the road, but it has not gone away. RJ agreed that he loves the idea of being prepared financially to address the golf course issues of the future. He suggested possibly surveying the community to get a sense of what percentage of people would be in favor of being proactive on this front.

MOTION: *President Yvonne Perry and Director Cathy Cooney moved and seconded to approve the RVRMA 2020 Proposed Budget with the corrections to the Old Town Reserve number as stated by Todd Richmond. The Motion passed unanimously.*

IX. New Business

- 2020 DRC Meeting Schedule
- 2020 Executive Board Meeting Schedule

MOTION: *President Yvonne Perry and Secretary Ben Johnston moved and seconded to adopt the RVRMA Board of Director’s 2020 Meeting Schedule and the RVRMA Design Review Committee’s 2020 Meeting Schedule. The Motion passed unanimously.*

- RVR Business Directory and Weekly Bizz Buzz Publication will end March 31, 2020 and any subscriptions that run after that will be refunded.

There have been discussions at past Board meetings about phasing out the RVR Business Directory and Biz Buzz weekly email publication. The overall opinion is RVR does not promote or support any business and the income which comes from the subscriptions is so minimal there is not a significant value to continue with it.

MOTION: *President Yvonne Perry and Director RJ Spurrier moved and seconded to approve ending the RVR Business Directory subscriptions as of April 1, 2020. Any remaining subscriptions after that date will be refunded their remaining fees. The Motion passed unanimously.*

Adjourn

The meeting was adjourned at 6:40 pm.

Executive Session

