

RIVER VALLEY RANCH

RVRMA EXECUTIVE BOARD MONTHLY MEETING

Wednesday, March 24, 2021 5:30 p.m.
via Zoom Video Conference

Executive Board of Directors

Cathy Cooney, Co-President
Gary Lesser, Co-President
Todd Richmond, Treasurer
Ben Johnston, Secretary
Laura Hanssen, Director
John Lund, Director

Management Attendees

Sterling Page, General Manager
Kendra Ford, Community Services Manager
James Maguire, Accountant
Travis Green, Landscape Superintendent

Homeowner Attendees

David Thickman
Frosty Merriott
Sarah Jane Johnson
Wolf Gensch
Patti Crockett
Richard Sills
Paul Brown
Alicia Keleher
Mark and Susan Alberty

I. Call to Order- Establish Quorum

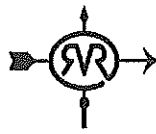
II. Approval of the Minutes and the Consent Agenda

- Approval of meeting minutes of the Executive Board meeting held on February 24, 2021.

III. Public Comment

Frosty Merriott requested that the Board add environmental considerations to the agenda for the Long-Range Planning Committee. He shared an extensive write up regarding his position and request. The Board asked Frosty to send his write up to Cathy and Sterling to review.

Alicia Keleher asked about the summer tennis program and the fees. Sterling shared what the fees would be and said with Board approval he will get the fee schedule out to them. In the past, Board has not voted on these and it is a management responsibility.



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IV. Management Update –(attached)

- Ranch House Report: Kendra Ford
- Operational Report: Sterling Page
- Finance Report: James Maguire

V. Committee Reports

- **Landscape**

The Landscape Committee conducted a walk around of the Old Town perimeter fence on March 4, 2021. Sterling, Alicia, Tim, and Sarah (committee members) and Wolf Gensch, a member of the Old Town Advisory Committee, attended. We looked at fences, landscaping, sidewalks, common area, ponds, gates, paths, etc. Findings are listed below in several categories.

Fencing: homes located on Holland Thompson and Boyd Drive, which abut common area. Homes along Harris Drive do not abut common areas and are excluded from the Committee's responsibilities.

1. Observed many different styles of non-compliant fence bordering Holland Thompson and common area, near Ranch House ponds.
 - Extended fence with chicken wire fence, non-compliant with DRC guidelines.
 - Broken fencing, many areas in disrepair (non-compliant with governing documents).
 - Most of Holland Thompson fences have rear gates, non-compliant with DRC guidelines.
2. Overgrown backyard landscaping from homes along Crystal Bridge and Boyd Drive along fence.
3. Investigate repair vs replacement – Holland Thompson and Boyd Drive
 - Select section of fence to power wash and try stain seal oils (Can be done in May, after water is turned on mid-April)
 - Get quotes for labor and materials to replace and/or repair fencing that is non-compliant and/or in disrepair.



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General Manager's Monthly Report to the Board of Directors

March 24, 2021

Governance

- The feedback radar speed sign is on order. We should receive it in mid-April.
- Response to the new parking and vehicle storage policy has been positive. Beginning in April I will be going door to door to inform and educate anyone who still has a non-compliant vehicle or has questions regarding the policy.

Operations

- CDPHE places Garfield County at level blue on the state COVID dial. We are planning for a normal summer season around the swim and tennis facility. We will be limited indoors by social distancing, but our outdoor capacity will increase to 250 or 50% capacity. Social distancing is still a requirement in the Ranch House. We await further guidance from state, county and Town officials.
- A sewer gas smell has been reported by residents on Sopris Mesa Dr. the culprit isn't a sewer line cut by contractors or an unmaintained out house. It's a product of our own making. The wide spot in the Low Line ditch along the 14th fairway has collected enough debris overtime to become rancid. We have ordered beneficial bacteria for all of the RVR ponds and will be treating them monthly this year in hopes that we wont deal with this in the future. Sorry, no quick fixes for this problem. The bacteria take time, and the water will be back on in a few weeks.
- Our slide and waterfall pumps are past their useful lifespan. We replaced the electric motors in 2018 and now the pumps and impellers need replaced. We took the pumps and parts to Grand Junction Pipe for maintenance and discovered the deficiencies. We will be getting quotes for replacements.

Sub-Associations & Neighborhoods

- **Boundary** – No Report
- **Crystal Bluffs** – No Report
- **The 24** – No Report.
- **Old Town** – No Report
- **The Settlement** – No Report

Financial Report

February 2021

Prepared by James Maguire

Budget vs Actual

February saw actual income outpace the budget by \$22K mostly due to DRC Fee income as building projects remain highly active.

On the expense side, our total expense (COGS + expenses) budget to date is \$318K and we have spent \$319K which is only a difference of \$1K, or less than 1% variance.

Reserve Funds

Our beginning reserve balance in February was \$1.873M. Our reserve income for the month was \$26,845 and we spent \$3,787 on cedar fence rails. The ending balance in reserve at month-end was \$1.891M.

Investments

No changes to our investments occurred in February.

We currently have 3 CD's that will mature in 2021 and 2 that will mature in 2022.

The current total dollars invested in CD's is approximately \$787,000

Further detail can be found on the Balance Sheet.

PPP Loan

Our PPP loan has been forgiven for the full amount of \$155,800. I am working with Todd regarding the appropriate accounting in shifting it from a loan to income or reserves on our financial statements.

2020 Tax Return

We have engaged the services of Porter & Lasiewicz, CPA to do our 2020 tax return. They are the same company who did our audit and tax return last year. I have handed over our books and supporting documents for them to file our taxes.

However, they said the IRS is revamping form 1120-H, which is specific to HOA's, and will not have it finalized until March. My goal is to not have to file an extension so I will stay on top of it.

A/R Dues

There are couple homeowners on the A/R list this month. Some are new homeowners and some are selling their homes. If any amounts are due at the time of sale, the title company will collect any outstanding dues and remit them to us as closing. One homeowner is past due and I'm working on collecting from then. Further action is not needed at this time.

Employee Retirement Accounts

I had a follow-up meeting with Edward Jones this week regarding IRA's and 401k's and answered some of the Board's questions. Below is a comparison chart and more detailed information sheets on each product from Edward Jones.

- 1. Is there a vesting schedule for a Company match or is company contribution 100% vested when we make contribution?**

The Simple IRA is vested immediately. The 401k is typically vested immediately but has the option to do a schedule based on the employer's plan. Schedules are becoming antiquated and EJ has not seen anyone do this in about 10 years.

- 2. How does contributions to Simple IRA for employees compare to the bonus plan from an expense standpoint?**

The Simple IRA has a 3% employer match. So, an employee can contribute however much or little as they want per paycheck (up to the annual limit) and the employer would match up to 3% of their gross pay. For example, if an employee grossed \$1,000 and contributed 3%, it would be \$30 and RVR would match that \$30. If they contributed \$100, RVR would still only match 3% or \$30. If an employee had a salary of \$100,000, the max employer contribution of 3% would be \$3,000. You can use that number to see how it compares to bonuses. There are no legal or IRS rules regarding providing both bonuses and retirement plans.

- 3. If contributing to IRA is voluntary, do we need a certain number of participants?**

The Simple IRA only requires 1 participant, but we would have to offer it to every employee, full or part-time, as long as they earned \$5,000 or more in any two years and expects to earn \$5,000 in the current year.

- 4. Could participants that do not choose IRA still get bonus?**

Employees who choose not to participate (and those who choose to participate) could still get a bonus. There are no rules around this. Bonuses are wages.

- 5. Are there waiting periods for employees to join IRA?**

The employer gets to choose the waiting period for employees to become eligible to participate in the plan. It could be 1 year, 6 months, 1 month etc.

- 6. If employees leave, do they have a choice of cashing out (if so, what penalties), rolling over, or leaving in our plan with no match? What are the withdrawal provisions before retirement?**

When an employee terminates employment, they keep their IRA account. They then have options to roll it into other accounts or leave it as is. They must wait until they are 59.5 until they can withdraw the funds without a penalty. There are exceptions such as first-time home purchase, medical bills, IRS liens, education, etc. Edward Jones can help guide each employee. If we were to sign up, each employee would establish a relationship with Edward Jones and have annual meetings with them to strategize their investment activities and goals. The penalty for early withdrawal is 10% plus tax.

See below for comparison chart and more detailed fact sheets from Edward Jones.