

RVRMA EXECUTIVE BOARD MEETING
Wednesday, November, 16, 2022 at 5:30 p.m.
Ranch House Conference Room and Zoom Meeting

Executive Board of Directors

Michael Banbury, President
John Lund, Vice President
Todd Richmond, Treasurer
Ben Johnston, Secretary
Laura Hanssen, Director
RJ Spurrier, Director
Sherry Stripling, Director

Management Attendees

Ashley Lynch, General Manager
James Maguire, Controller
Jessica Hennessy, Director of Design Review &
Admin. Services
Ali Royer, Director of Programming & Community
Engagement
Travis Green, Facilities & Grounds Superintendent

I. Call to Order- Establish Quorum

II. Approval of Minutes and the Consent Agenda

- Approval of Meeting Minutes of the RVRMA Executive Board Meeting held on Wednesday, Oct. 26, 2022.

III. Public Comment

- Comments in public comment are for agenda items only.

IV. Committee Report

- Long Range Planning

V. Month End Financial Review – James Maguire (info.)

VI. Management Update

- General Manager Report- Ashley Lynch
- Programming & Community Engagement Report- Ali Royer
- DRC Report- Jessica Hennessy
- Finance Report- James Maguire
- Outside Service Report- Travis Green

VII. Old Business

- Short Term Rental (info.)
- Meeting Recordings (info.)
- 2023 Budget (decision)

VIII. New Business

- N/A

IX. Adjourn

X. Executive Session

- Staff Wage Discussion

RVRMA EXECUTIVE BOARD MEETING
Wednesday, October 26, 2022, at 5:30 p.m.
Ranch House Conference Room and Zoom Meeting

Executive Board of Directors

Michael Banbury, President
John Lund, Vice President
Todd Richmond, Treasurer
Ben Johnston, Secretary(*via zoom*)
Laura Hanssen, Director
RJ Spurrier, Director
Sherry Stripling, Director (*Via Zoom*)

Management Attendees

Ashley Lynch, General Manager
James Maguire, Controller
Jessica Hennessey, Director of Design Review & Admin. Services
Ali Royer, Director of Programming & Community Engagement
Travis Green, Facilities & Grounds Superintendent (*Via Zoom*)

Homeowner Attendees

In Person

Camille Schuman
Steve Laverty

Via Zoom

Abby Radmilovich
Todor Radmilovich
Richard Sills
Rebecca Aronoff
Joel Aronoff
Paul Brown
Sara Gilbertson
Gary Wesselink
John Krousouloudis
Krys Greenwood
Diane Cavarra

I. Call to Order- Establish Quorum

- Board President, Michael Banbury, called the meeting to order at 5:30 p.m.

II. Approval of Minutes and the Consent Agenda

- Board Directors, RJ Spurrier and John Lund, moved and seconded the approval of the consent agenda and meeting minutes of the RVRMA Executive Board Meeting held on Wednesday, Sept. 28, 2022.

III. Public Comment

- **Format Update**

Board President, Michael Banbury, reminded everyone that each person has three minutes to talk in the public comment period. Michael stated that at the

end of public comment he would do his best to summarize and answer any questions that were raised. Michael also reminded everyone of the upcoming Community Dialogue Session on Thursday, Oct. 27 at the Ranch House. This session will be the first of many, created with the intention to allow a more open dialogue for homeowners with no time limit. Finally, Michael announced that the public comment period would be capped at 30 minutes.

- **Comments in public comment are for agenda items only.**

- Camille Schuman shared concerns regarding restrictions on short term rentals and the direction the RVRMA board may be heading. Camille recommended the board send a questionnaire to the community indicating to what extent the community wants restrictions.
- Abby Radmilovich commented that changes to the way STR's are managed by the HOA will cause economic harm to her family. They will most likely need to sell their two properties in RVR. Abby shared concern that key facts are missing surrounding complaints. Abby asked where she could send in invoice to the HOA for her financial loss.
- Joel Aronoff commented that there will be economic ramifications to STR owners. Joel proposed a grandfather clause for existing STR owners. He also noted that this is a potential revenue stream for RVR. Joel also stated that he appreciates that there was a committee but was concerned that they did not follow through with the boards request to send out another survey to the community.
- John Krousouloudis commented that he would be very concerned if the house next to him short term rented their home. He commented that an STR is like have a hotel next door. He also noted that he is sure there are others that feel the same way.
- Todor Radmilovich commented that he did request more facts on STR issues. He believes it's crucial that complaints are heard. Todor stated that an opinion-based decision would be wrong and that it would be better for the board to decide policies based on facts.
- Steve Laverty commented that he believes restrictions on STR's is a significant affront to owners' rights. Steve asked that any communication or vote should have a write up in favor or against the proposal when that time comes to vote.

IV. Committee Report

- **Long Range Planning**

John Lund, Long Range Planning Chair and Board Director, commented that the complete committee report is in the board packet. John stated that the Long Range Planning Committee continues to work on a plan and that in light of what costs are in the valley, the committee has been focused on seriously

retooling the plan. John noted that the committee is receiving a great amount of input from people that have a particular interest in one piece of the plan. John is concerned that the committee is only hearing from that particular group and not the community as a whole. Time frames have been pushed out for board consideration until after the first of the year.

Michael asked about financial impacts to residents. John cited phasing possibilities and the uncertainty of contractor costs in 18 months. He stated it would make sense to not push the process at a fast pace.

RJ Spurrier, Board Director, commented that he appreciates all the work. He continued to say that the process is a complicated balance of what homeowners want and what things cost.

John stated that it is a challenge. He also stated that part of the committee's assignment was to think as leaders about the 25-year horizon of RVR.

RJ noted that if we are feeling costs are high and the community is cost sensitive perhaps, we should wait.

John stated that the committee is trying to be responsible and that they have to remember that there are 300 people who would like to see changes.

Todd Richmond, Board Treasurer, commented that we intentionally started the process to think big and let that evolve. We should work with the community to prioritize wants and needs. Todd stated that he believes we are we are fine following the process.

V. Month End Financial Review – James Maguire

James Maguire, RVR Controller, presented a financial presentation with an overview of the budget versus actual year-to-date through the end of September 2022.

According to James, income is over budget by almost \$41,000. Cost of goods sold are over budget by \$23,000 which is about 50% of the additional income. Expenses are running under budget by almost \$18,000. The bottom line is we running at a surplus of \$35,000 which is only about a 1% variance.

Drilling down into the income section, James noted that most line items are on target. Tennis income fell slightly short, but only by \$7,000 out of \$189,000. The greatest variance was with "Other" Income which was \$42,000 over budget.

James reviewed six line items that make up "Other" Income. Concession sales performed much better than expected coming in over \$12,000 over budget. DRC income is running almost \$37,000 over budget. It peaked in the summer and is now leveling off. The only line item under budget was Property Member Transfers which

comes from home sales and membership transfers, both of which have slumped recently.

James then went over expenses, commenting that not much has changed all year. The greatest cost savings has been in personnel costs. Grounds and irrigation are running under budget as well. October is the busiest month for irrigation, so we'll see next month how that winds up, but should be within budget. Utilities continue to be the largest budget overrun mainly due to increased natural gas prices. The gas bill in September was over \$6,000. Last year it was about half of that. This is mainly due to prices, not usage. We spent \$2.043 million out of a budgeted \$2.061 million for a difference of almost \$18,000 which is less than a 1% variance.

RJ commented that James did an outstanding job on the presentation, especially year end forecast piece.

VI. Management Update

- **General Manager Report- Ashley Lynch**

Ashley Lynch, General Manager, noted some staffing changes at the Ranch House. Ali hired a new front desk agent and some seasonal irrigation staff will be leaving for the winter. Ashley congratulated Travis Green, RVR's Facilities & Grounds Superintendent, for a speedy job on Irrigation blow outs. Ashley continued to say that we will keep the fall dumpster as long as possible while keeping an eye on cost. Ashley also asked that homeowners fill out the Homeowner Questioner that was sent out to the community. So far we have received 176 responses.

There was also commentary surrounding the internet redundancy surrounding Starlink and Comcast.

- **Programming & Community Engagement Report- Ali Royer**

- **DRC Report- Jessica Hennessy**

Jessica Hennessy, Director of Design Review and Admin. Services commented that the DRC has seen a slowdown in new construction applicants.

- **Finance Report- James Maguire**

- **Outside Service Report- Travis Green**

VII. Old Business

- **Short Term Rental Proposal**

Michael summarized that the Board sent off their recommendation to the Short Term Rental Committee asking them to put out another survey to the community. Michael stated that the Short Term Rental Committee thought that they had done all they could do at their level and thought the board should take

over from here.

There was discussion surrounding Short Term Rentals by the Board.

Board Members agreed that the Board should create a new survey on short term rentals that will be sent out to the community by the RVRMA office.

Board Director, Sherry Stripling, asked the board to consider pushing this survey to January.

VIII. New Business

- **Budget 2023**

Ashley went over highlights that came out of the two community budget meetings the week prior. Ashley commented that some homeowners are concerned that reserve funding may not be adequate in light of inflation and other factors. Ashley stated that he believes we need a new reserve study. He continued to say that there was no mention of golf course infrastructure on the last reserve study. RVRMA is responsible for a portion of any replacement costs of golf irrigation infrastructure that would fall under capitol. Ashley also commented that some homeowners brought up the potential for DRC revenues short fall, which had been on the radar. Ashley ended by saying there was a small minority of attendees that believed the board and management should do everything that they can to cut costs.

There was discussion surrounding the cost of Tennis Memberships in RVR and the increased amounts. There was also conversation surrounding homeowner priority in the RVR tennis program.

Todd Richmond, Board Treasurer commented that there is always a natural tension to not raise dues too much and making sure you are not underfunded. He added that he would strongly consider adding another \$5 to the proposed budget.

Ben Johnston, Board Secretary, commented that he was impressed with Ashley and James' work on the proposed budget, and he would be in favor for an additional increase.

Sherry Stripling, Board Director, commented that she was concerned about an increase.

- **Strategic Planning Update** (*info*)

Sherry Stripling commented that she did agree to lead the effort to ensure that

all the great work that was done last year in creating a strategic plan (which was published in May of 2022) would not get put on the shelf and lost. She also stated that another meeting with Andrea would take place in January of 2023.

- **Meeting Recordings** (*info.*)

Ashley introduced the topic of Zoom Meeting Recordings. Since the onset of the pandemic, RVRMA has increasingly used Zoom video conferencing as a way to allow participation in public meetings. As with most organizations, we have found value in this method of meeting, which allows homeowners to participate from remote locations. Up to this point, these recordings have been discarded once the meeting minutes have been approved and published. Ashley continued to say that in an effort to allow more homeowners access to past dialogue, we would like to begin publishing these video recordings to the RVRMA website. Management wishes to bring this topic to the attention of both the board and the community at large to ensure that everyone is aware of the public nature of these recordings moving forward.

The Board discussed the proposed new operational procedure. The Board weighed the pros and cons of publishing recordings. The topic generated conversation including, how long the recordings would be on the website, which meeting recordings would be released (Long Range Planning, DRC, Board meetings etc.) and the comment was made that the association is not required to share the recordings.

Michael ended the discussion by stating that the board would need to revisit the topic again after they had more time to think about it.

IX. Adjourn

Motion: John and Todd motioned and seconded to adjourn the meeting. The meeting adjourned at 8:04 p.m.

Long Range Planning Committee Board Report - November 2022

The committee met on November 8 and had a thorough discussion of the various aspects of the plan for the Ranch House and surrounding facilities. The discussion was informed by some pre-meeting polling of the committee members as to what they see as the priorities for the plan. Based on the discussion, consensus was reached about several items which we hope will bring the cost estimates down.

These items will be reviewed with McMahon and we will ask them for an updated Opinion of Probable Cost. We believe these adjustments will bring the cost estimate down substantially.

At the November 8 meeting the committee also discussed where we are with community engagement in the process. It was noted that through a good bit of public participation in the meetings and related one-on-one meetings with homeowners having views they wish to express, there has been a good flow of input to the committee even as the plan continues to be in the sausage-making phase. Indeed, several of the adjustments discussed are directly related to input from community members. However, there are many more homeowners who have filled out the two surveys and their views must be considered even if they are not the most vocal.

RVR Homeowner, Robin Boyar has kindly offered her professional assistance on a pro bono basis to assist the committee and the board more generally with survey and other engagement efforts. Towards the end of arriving at a plan that will in fact be strongly supported by the community, the committee agreed to work with Robin on conducting a third long range planning survey. However, that needs to be further coordinated with more general surveying work that Robin is offering to do for the Board.

I would like to again express a great deal of thanks to the 8 other volunteer members of the committee for the hard work they are doing and also to Ashley Lynch for his diligent efforts. I would also like to again thank the community members who have made the time to attend our meetings and provide comment and feedback as well as those who have responded to our surveys. This is the hard work that is needed to come to a result that the community as a whole will feel good about. We are certain not to please all of the people on every issue. We do hope to find solutions that provide significant benefit to the community as a whole at a reasonable level of expense.



General Manager's Monthly Report to the Board of Directors

November 16, 2022

Governance

- We submitted the 2023 draft budget for Board feedback.
 - The board asked for a \$5 monthly increase in reserve dues.
 - Management is now proposing another \$1 in operating dues given new information concerning the anticipated price for natural gas in 2023.
 - A new budget has been shared with the public and will be voted on by the Board prior to a community vote which should take place on 12/2/22
- Long Range Planning held a committee meeting on Tuesday 11/8. McMahon was not present. Another meeting has been set for Tuesday 12/6 at 1pm. The committee discussed plans for an amended renovation plan, reducing overall scope.

Staffing

- We have hired a new front desk agent—Irina Jugovic. Stop by and say hello!

Operations

- Comcast is moving forward with their work to bring a line across RVR Drive to the Ranch house.
 - Comcast expected this to be completed by 10/14/2022 but there have been delays.
 - Once active we will re-evaluate our plan for internet coverage
- Our fall yard waste dumpster has been extended into November to allow our residents the opportunity to dispose of yard waste later into the fall season.
- Our annual fire safety inspection with Pye Barker Fire and Safety was conducted
- Management has released a homeowner questionnaire to update our contact information.
 - We have received 213 responses as of 11/10/22.
 - An end date for submissions has been set for 11/16
 - This form also asks some necessary questions to ensure compliance with HB 22-1137.
- Work has been completed on a damaged parking area off of Pioneer Ct. Wooden retaining walls were removed and replaced with stone.
 - We will be repairing another similar parking structure off of Cedar Creek in the spring of 2023.

Sub-Associations & Neighborhoods

- **The Boundary** – no report
- **Crystal Bluffs** – 12/8 annual meeting to be held at the Ranch House
- **24/Fairway Residences** – No Report

- **Old Town** –
 - No Report
- **The Settlement** –
 - No Report

Ranch House Report 11.16.2022– Ali Royer, Director of Programming & Community Engagement

Fitness

With the change in weather, more members are exercising inside. We've added four more group fitness classes per week as of the beginning of November, including one on Saturdays. We're looking at adding an additional class after work hours starting the beginning of December. We will offer a total of 68 fitness classes in November.

Ranch House Usage - October

1. We had 2,589 check-ins at the Ranch House for the month of October
 - a. 2,110 were homeowners or transferred memberships
 - b. 233 were monthly Thompson Corner or ADU members
 - c. 246 were tennis members

Tom's Door Holiday Giving Program starts on November 14.

Tom's Door and the Family Resource Center of the Roaring Fork School District in conjunction with River Valley Ranch are again partnering for our 7th annual holiday gift drive for Carbondale seniors and local high school teens in need. Over the last six years, we have experienced a generous outpouring of contributions. We invite you to participate in this year's program and share the magic of the holiday season.

Past & Upcoming Events

October

- Jeff Ashcroft Meet the Artist Happy Hour

November

- RVR Annual Fall Craft Fair: Great turnout!



- Saturday, November 19: Community Potluck

December

Saturday, December 3: Jolly Jubilee

Saturday, December 14: Children's Story Time

Staff

We hired Irina Jugovic for the front desk, and she has been a wonderful addition!

Member Services

11/16 will be the last day for the Homeowner's questionnaire. We will then gather all questionnaires, cross reference our databases, and verify we have the most up to date information.

We're organizing our long- and short-term leases on file and contacting others we know are currently out of compliance.

DRC Report November 2022 -Jessica Hennessy

The following projects were reviewed by the DRC in November:

- **Lot:** GG04, 107 Bowles Dr.
Review: changes to approved, added balconies
- **Lot:** GG14, 110 Bowles
Review: Final Review
- **Lot:** M05, 1035 Heritage
Review: Remodel/Renovation
- **Lot:** JJ02-JJ05
Review: Final Inspection Drainage Solutions
- **Lot:** Z06,242 Crystal Canyon
Review: Final Inspection Drainage Solutions

DRC numbers:

- There are currently **25** homes in the construction phase (from breaking ground to the final inspection phase/closeout).
- There are **7** applicants in the Preliminary Design Review phase.
- There are **14** applicants finalized by DRC and waiting on permits from the Town of Carbondale.
- There are currently **46** total active DRC files.

Administrative Reviews:

- Home Improvement applications are being received at a steady rate of approximately **four** per week.
- Administrative requests have been primarily for maintenance activities (tree management, window replacement, and home staining).

Financial Report

October 2022

Prepared by James Maguire

Budget vs Actual

October saw the greatest cost savings of any month this year. Expenses came in almost \$28K under budget. The greatest savings were personnel costs (\$15K), grounds maintenance (\$8K), ranch house expenses (\$4K), and taxes (\$4K). We anticipated \$4K in taxes for 2021 but our CPA got it down to \$0. Income and cost of goods sold were a wash, both coming within \$1K of budget. For one of the few times this year, DRC income came in under budget (-2K).

As for year-to-date, we are running at a net surplus of \$63K, budget vs actual, which doubled since last month. Actual income is exceeding budget by \$42K, same as last month. Cost of goods sold is over budget by \$25K, also about the same as last month. Expenses are under budget by \$46K (out of \$2.3 million spent) which is less than 2% variance. Personnel, grounds, and community expenses are the areas with the greatest cost savings. We typically have more contract labor to help with irrigation in October, but we were able to accomplish everything with just our in-house staff. We have save \$22K in contract labor this year. Staff wages are under budget by \$47K as well.

Our forecast for year-end still projects a small surplus and ending within 1% of budget.

Reserve Funds

The beginning RVRMA reserve fund balance in October was \$1,900,545

Total reserve income for October was \$35,806.

Approximately \$7K was spent on a new retaining wall at the cul-de-sac on Pioneer Dr, \$699 on installation of our new firewall, and \$400 towards ongoing costs for the long range planning service. The ending balance in the reserve account was \$1,927,830.

Investments

As interest rates increase, we are prudently investing funds to maximize interest income.

In October, we invested another \$249K into a 2-year CD earning 4.50% interest which will yield over \$11K per year.

That is in addition to \$1.3 million in 8 other CD's earning around \$25K per year. The CDs are laddered to ensure adequate liquidity.

As well, we have \$1.250 million parked in a fully liquid insured deposit account earning a little over 1%.

2023 Budget

The budget is to be ratified at the November Board meeting. In December, the budget will go out to the homeowners for a vote. If approved, the final budget will be ratified at the December Board meeting. Dues will be adjusted as of January 1.

River Valley Ranch Master Association
PUBLIC - Profit & Loss Budget Performance
October 2022

	October	Budget	YTD Actual	YTD Budget	Annual Budget
Income					
Assessments	198,365	197,600	1,981,266	1,976,000	2,371,392
Memberships	4,547	5,000	58,720	56,000	62,000
Swim & Fitness.	0	200	9,600	7,000	7,500
Tennis Programming Income	6,457	5,000	188,794	194,887	194,887
Homeowner Reimbursable Assessmt	8,173	7,800	87,277	91,400	107,000
Other Income	15,438	16,380	223,339	181,800	214,500
Total Income	232,980	231,980	2,548,996	2,507,087	2,957,279
Cost of Goods Sold					
Swim & Fitness	2,826	4,350	54,671	46,975	55,875
Tennis	11,760	9,000	156,061	150,000	150,000
Concessions	106	750	23,491	18,050	18,750
Credit Card Fees	879	500	15,833	10,500	11,500
Total COGS	15,571	14,600	250,056	225,525	236,125
Gross Profit	217,409	217,380	2,298,940	2,281,562	2,721,154
Expense					
Personnel	105,151	120,249	1,092,068	1,167,548	1,429,440
Grounds	26,049	34,125	317,780	333,750	348,000
Irrigation	14,615	9,375	91,687	92,750	99,500
Ranch House Expenses	8,612	12,925	107,367	95,950	112,000
Utilities	11,352	8,655	118,292	91,450	109,200
Administrative	6,839	7,325	86,074	75,090	88,574
Finance	205	4,750	5,006	8,500	9,000
Design Review Committee	1,840	3,250	40,924	32,500	39,000
RVR Community Expenses	2,422	5,750	49,191	59,500	73,000
Reserve Accounts	35,806	34,453	347,496	344,530	413,440
Total Expense	212,891	240,857	2,255,885	2,301,568	2,721,154
Net Surplus / Deficit	4,518	(23,477)	43,055	(20,006)	0

River Valley Ranch Master Association

Public - Balance Sheet

As of October 30, 2022

ASSETS

Current Assets

Checking/Savings

Wells Fargo Operating 2674 180,017

Investment Accounts 2,627,122

Total Checking/Savings 2,807,139

Accounts Receivable

Homeowner Accounts Receivable 958

Total Accounts Receivable 958

Other Current Assets

Interest Receivable 2,951

Prepaid Expenses 21,443

Undeposited Funds 2,831

Inventory 759

Total Other Current Assets 27,984

Total Current Assets 2,836,081

Fixed Assets 225,126

TOTAL ASSETS 3,061,207

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable - Vendors 51,252

Accounts Payable - Payroll 46,345

Accounts Payable - Payroll Tax 3,613

Accounts Payable - P&D Deposits 616,750

Total Accounts Payable 717,960

Credit Cards

Wells Fargo Credit Card 3,511

Total Credit Cards 3,511

Other Current Liabilities

Payroll Taxes Payable 4,045

Prepaid HOA Dues 23,165

Prepaid Income - DRC Fees 60,893

Sales Tax Payable 57

AVLT Payable 38,696

Garnishments Payable (139)

Total Other Current Liabilities 126,717

Total Current Liabilities 848,188

Total Liabilities 848,188

Equity

Reserves 1,960,259

Prior Operating Fund 861,006

Transfers to from Reserves (604,204)

Retained Earnings (31,676)

Net Income 27,634

Total Equity 2,213,019

TOTAL LIABILITIES & EQUITY 3,061,207

Outside Services – Travis Green

We recently completed the renovation of the parking area on Pioneer Court. I am proud of the way it turned out and look forward to similarly improving the parking area on Cedar Creek next season. We are currently winterizing our equipment, making repairs and improvements to our snowplows, and preparing for the winter. We will be doing our annual refurbishing of the irrigation clay valves, this is a tedious but necessary process. Crews are also still working on the pools and tennis courts to preserve them for play next season. We will be removing the dumpster from the parking lot later this week. The town of Carbondale still has yard waste dumping available next to the town hall.

2023 Projected Dues (RVRMA)



	2021 Actual	2022 Budget	2022 Actual	2023 Budget Total	\$ Increase	% Increase
Monthly Operating Dues	243	298	298	324.00	26	8.7%
Monthly Reserve Dues	47	60	60	70.00	10	16.7%
	290	358	358	394.00	36	10.1%

CPI Increased by 8.5% over the last 12 months ending August 2022.

We believe that presenting a budget below CPI would be a risk to the community, creating a potential overspend in 2023 which would impact reserves.

Given inflationary pressures, outside of our control, a well funded reserve fund is vital for the community's future.

In its October Session, the RVRMA Board asked for an additional \$5 increase in monthly Reserve dues, bringing the YOY increase to \$10. We also received information from Black Hills Energy concerning the estimated cost of Natural Gas in 2023, causing management to recommend an additional \$1 in dues to cover that anticipated expenditure.

2022 Projected Year End

We are currently projecting a \$15K surplus for YE 2022. This represents less than a 1% variance from the budgeted \$0 year end finish. This total is based upon a detailed forecast for the last financial quarter of 2022.

We faced some challenges in 2022 with rising inflationary pressures. As an example, the price for natural gas far exceeded budgeted predictions. We offset these factors through thoughtful cost savings throughout the year.

We exceeded budgeted revenues, given the tremendous amount of construction coming through the DRC in 2022. These revenues have a cost, as our DRC meets regularly to review all phases of the construction process.

That said, we managed to bring a large proportion of that extra income to the bottom line.



2022 Achievements

We are proud of what we accomplished in 2022, and we believe that those accomplishments are worth holding on to.

We saw a tremendous amount of change. Much of our Management team transitioned and Ashley Lynch was brought on board. Travis, James, Ali and Jessica further add to what is a very strong leadership team at RVR.

This team brought results, driving a customer focused culture, which can be felt from the Ranch House, to the irrigation and maintenance crews. All of this with financial acumen to boot.

On the heels of Covid-19, we welcomed the community back to the Ranch House with events and festivities. If you have not participated, come on by. RVR loves community– we believe that this sort of engagement is what makes RVR a place where people love to live!

As we crafted the 2023 budget, our methodology was to build upon the 2022 YE forecasted actual. There are adjustments for inflation where appropriate.



2023 RVRMA Budget

RIVER VALLEY RANCH MASTER ASSOCIATION 2023 Proposed Budget



	2022 BUDGET	2022 EST.	2023 BUDGET
INCOME			
Assessments	\$ 2,371,392	\$ 2,377,930	\$ 2,619,700
Memberships & Recreation	69,500	74,320	90,700
Tennis Programming Income	194,887	188,805	187,000
Other Income	321,500	353,792	337,700
TOTAL INCOME	\$ 2,957,279	\$ 2,994,847	\$ 3,235,100
COGS			
Swim & Fitness	(55,875)	(62,923)	(70,500)
Tennis	(150,000)	(156,062)	(154,500)
Concessions & Other	(30,250)	(42,024)	(30,300)
TOTAL COGS	\$ (236,125)	\$ (261,009)	\$ (255,300)
GROSS PROFIT	\$ 2,721,154	\$ 2,733,838	\$ 2,979,800
EXPENSES			
Personnel & Wages	(1,429,440) #	(1,360,200)	(1,492,400)
Grounds & Irrigation	(447,500)	(440,763)	(484,000)
Ranch House Expenses	(112,000)	(126,964)	(139,400)
Utilities	(109,200)	(142,305)	(144,000)
G&A	(97,574)	(108,189)	(112,600)
DRC Expenses	(39,000)	(47,925)	(42,000)
Community Expenses	(73,000)	(68,009)	(76,000)
Capital Reserves	(413,440)	(417,735)	(489,400)
TOTAL EXPENSES	\$ (2,721,154) #	\$ (2,712,090) #	\$ (2,979,800)
NET INCOME (LOSS)	\$ -	\$ 21,747	\$ -
RVRMA Dues			
Operating Assessment	\$ 298	\$ 298	\$ 324
Reserve Assessment	\$ 60	\$ 60	\$ 70
Total Before Irrigation Reimb. Assesment	\$ 358	\$ 358	\$ 394

2023 RVRMA Dues by Neighborhood



Note: Irrigation assessments have not been altered since 2017. We did raise these fees nominally for all residents.

2023 Dues by Neighborhood

RVRMA HOA Dues	
Operating Assessment	324
Reserve Assessment	70
	\$394
RVRMA - Custom Homes	
HOA Dues	394
Irrigation Assessment ^[1]	30
	\$424
RVRMA (Block "B"/Sopris View)	
HOA Dues	394
Irrigation Assessment ^[1]	19
	\$413
THE SETTLEMENT	
HOA Dues RVRMA	394
The Settlement (Additional Services) Painting, Mowing, Snow Removal	147
The Settlement Painting Reserves	111
Irrigation Assessment ^[1]	19
	\$671
OLD TOWN	
HOA Dues RVRMA	394
Old Town (Additional Services) Painting, Mowing, Snow Removal	67
Painting Reserve	90
Irrigation Assessment ^[1]	9
	\$560
CRYSTAL BLUFFS	
HOA Dues RVRMA ^[2]	\$394
THE BOUNDARY	
HOA Dues RVRMA ^[2]	\$394
TWENTY FOUR RESIDENCES	
HOA Dues RVRMA ^[2]	\$394

NOTES:

[1] Irrigation not charged to unirrigated vacant lots.

[2] Does not include sub-association dues or irrigation charged directly to the sub-associations.

2023 Projected Dues (Settlement)



	2020 Actual	2021 Actual	2022 Budget	2023 Budget	Increase
SETTLEMENT DUES					
HOA Dues RVRMA	\$298	\$290	\$358	\$394	\$36
Settlement (Added Services)	\$120	\$127	\$131	\$147	\$16
Painting Reserve	\$95	\$95	\$101	\$111	\$10
Irrigation Reimbursement Assessment	\$17	\$17	\$17	\$19	\$2
	\$530	\$529	\$607	\$671	\$64

Settlement monthly dues in 2023 show an increase of \$16 in operating + \$10 in reserves + a \$2 increase in irrigation assessments totaling a \$28 increase. This is in addition to RVRMA increases. For 2023, grand total monthly dues show an increase of \$64 overall (as illustrated above).

This increase is due to multiple factors at play. In years past, the Settlement ended the year with deficits, which were then taken from the reserve fund. Over time, this has driven the reserve fund from an ending balance of \$55,205 in 2020 down to an estimated balance of \$26,062 to end the current year.

Inflationary factors are also coming to bear.

While we originally thought that smaller annual increases ensure financial wellbeing, as we budget for 2023, we believe that the proposed increases are necessary to maintain the integrity of the Settlement reserve fund. There may also be a need to change the painting schedule in future years, ensuring that reserves are adequate to avoid any special assessments.

We also increased irrigation assessments for all communities. Those assessments had not been increased since 2017. As you can see above, we increased those assessments by \$2 for the Settlement.

See the next slide for detailed reserve balances over time.

Reserve Balances Over Time (Settlement)



	2020 Actual	2021 Actual	2022 Budget	2023 Budget
Reserve Beginning Balance	48,657	55,205	46,406	26,062
Operating Surplus from previous year	10,446	(8,036)	(13,567)	(8,946)
Reserve Common Assessments	63,840	63,840	67,872	74,592
Reserve Expenses-Painting	(67,738)	(64,603)	(77,024)	(82,170)
Reserve Estimated Ending Balance	55,205	46,406	23,687	9,539

Under our proposed due increase, we would end the year (2023) with an estimated \$9,539 in reserves. This amount is the slimmest margin that we recommend. Any further decreases in Operating, or Reserve dues would decrease the reserve fund going into 2024.

Such a decrease would only increase the necessary dues to be assigned in 2024.

Globally, the issue revolves around an underfunded reserve, which needs to be addressed to maintain the painting costs into the future.

2023 Budget (Settlement)



Note: Irrigation assessments have not been altered since 2017. We did raise these fees nominally for all residents.

	2022 Actual Est.	2023 Budget
Income		
Common Assessments-Reserve	67,872	74,592
Common Assessments-Operating	88,032	98,784
Total Income	155,904	173,376
Expenses		
Snow Removal	27,572	29,532
Lawn Maintenance	48,974	49,601
Irrigation System R & M	20,432	19,651
Reserve Allocation	67,872	74,592
Total Expenses	164,850	173,376
Net Income	(8,946)	(0)

Reserve Beginning Balance	46,406	26,062
Operating Surplus from previous year	(13,567)	(8,946)
Reserve Common Assessments	67,872	74,592
Reserve Expenses-Painting	(74,649)	(82,170)
Reserve Estimated Ending Balance	26,062	9,539
SETTLEMENT DUES		
HOA Dues RVRMA	\$358	\$394
Settlement (Added Services)	\$131	\$147
Painting Reserve	\$101	\$111
Irrigation Reimbursement Assessment	\$17	\$19
	\$607	\$671

2023 Projected Dues (Old Town)



	2020 Actual	2021 Actual	2022 Actual	2023 Budget	Year-Over- Year Change in \$
OLD TOWN DUES					
HOA Dues RVRMA	298	290	358	394	\$36
Old Town (Added Services)	57	60	65	67	\$2
Painting Reserve	80	80	85	90	\$5
Irrigation Reimbursement Assessment	8	8	8	9	\$1
	443	438	516	560	\$44

Old Town dues in 2023 show a monthly increase of \$2 in operating + \$5 in reserves totaling a \$7 increase overall. This is in addition to the \$36 increase in monthly RVRMA dues.

We are projecting a budget surplus of \$5,948 as we finish 2022. This is largely due to cost savings in Irrigation Repair and Maintenance throughout the year. We eliminated some unnecessary expenditures this year, and we had some good luck in terms of a lack of largescale issues/main line breaks.

Note: Irrigation assessments have not been increased since 2017. We have increased this by \$1 per month for 2023 as noted in the table above.

Reserve Balances Over Time



	2020	2021	2022	2023
Reserve Beginning Balance	31,651	54,796	45,106	33,978
Operating Surplus from previous year	7,999	(848)	(2,959)	5,948
Reserve Common Assessments	62,320	62,400	66,300	70,200
Reserve Expenses-Painting	(47,174)	(71,242)	(74,469)	(66,922)
Reserve Estimated Ending Balance	54,796	45,106	33,978	43,204

We are ending 2022 with a healthy reserve balance of \$33,978. With current due increases, we anticipate ending 2023 with \$43,204, which is a healthy position.



OLD TOWN 2023 Operating Budget

	2022 Actual Est.	2023 Budget
Income		
Common Assessments-Reserve	66,300	70,200
Common Assessments-Operating	50,700	52,260
Total Income	117,000	122,460
Expenses		
Snow Removal	12,730	13,800
Lawn Maintenance	23,481	25,500
Irrigation System R & M	8,541	12,960
Reserve Allocation	66,300	70,200
Total Expenses	111,052	122,460
Net Income	5,948	0

	2022	2023
Reserve Beginning Balance	45,106	33,978
Operating Surplus from previous year	(2,959)	5,948
Reserve Common Assessments	66,300	70,200
Reserve Expenses-Painting	(74,469)	(66,922)
Reserve Estimated Ending Balance	33,978	43,204
OLD TOWN DUES		
HOA Dues RVRMA	358	394
Old Town (Added Services)	65	67
Painting Reserve	85	90
Irrigation Reimbursement Assessment	8	9
	516	560