

RVRMA EXECUTIVE BOARD MEETING
Wednesday, December, 14 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
(*absent*)
Ben Johnston, Secretary
Laura Hanssen, Director
RJ Spurrier, Director
Sherry Stripling, Director (*via Zoom*)

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

Homeowner attendees

Via Zoom

Betsy Gatehouse
Todor Radmilovich
Dan Schmidt
Sara Gilbertson
Paul Brown
Joel Aronoff
John Krousouloudis
Garry Wesselink

In Person

Gay Zanni
Diane Cavarra
Carl Hostetter
Jeff Krentz

I. Call to Order- Establish Quorum

- Board President, Michael Banbury, called the meeting to order at 5:30 p.m. Michael announced that Board Treasurer, Todd Richmond would be absent but sent in his proxy to Michael prior to the meeting.

II. Approval of Minutes and the Consent Agenda

- Board Directors John Lund and Laura Hanssen moved and seconded the approval of the consent agenda and meeting minutes of the RVRMA Executive Board meeting held on Wednesday, Nov. 16, 2022. The motion passed unanimously.

III. Public Comment

- Michael announced a dialogue session would take place on Thursday from 11 a.m. – 12 p.m. at the Ranch House. All Homeowners are invited to these sessions.
- There was no public comment.

IV. Committee Report

- **Long Range Planning**
John Lund, Board Vice President and Chair of the Long Range Planning Committee, commented that the complete Long Range Planning written report can be found in the board packet. John stated that there will be no LRP meeting in December and that the next meeting will likely be in January.

V. Month End Financial Review – James Maguire

RVR Controller, James Maguire, made a financial presentation which looked at the budget versus actual for November and year-to-date.

First James gave a high-level overview of November's performance. Both income and expenses were relatively on target. Income was slightly under by almost \$4,700 and expenses were slightly over by \$3,600. The net variance for the month was \$9,500.

Looking at year-to-date, both income and expenses are still doing better than budget. Income is almost \$37,000 over budget and expenses are \$42,000 under budget. Costs of goods sold are over budget but that is for the most part in proportion to increase revenue. Bottom line is we are running at a \$53,000 surplus. If you remember from last month, we were at a \$63,000 surplus, so it dropped by \$10,000 in November.

James drilled down into the Income detail, noting not much has changed. The most significant variance came from "Other" Income, which consists almost entirely of DRC income. The bottom-line surplus is \$36,746 of which 95% or \$34,800 comes from the excess DRC revenue generated this year.

James then highlighted a more detailed look into expenses. Personnel expenses are still running under budget, currently at \$80,716. Grounds and maintenance is under by \$17,000 and irrigation is spot on – only \$156 over budget. Our biggest culprit is still natural gas expense. Of the total utility overage of \$32,000, \$25,000 accounts for natural gas alone. RVR Community expenses will even out in December due to Holiday events at the Ranch House.

James commented that we are running a net surplus of \$53,209. Our year end

forecast is still at \$30,000. In a nutshell, we expect to go over budget by about \$20,000 in December.

James ended his presentation by showing a snapshot of cash and investment position as of November 30. We have about \$1.288 million in liquid bank accounts and \$1.622 million in CD's which are laddered over the next couple years. We expect to double our amount of investment income in 2023 due to increased investing and CD rates.

VI. Management Update

- **General Manager Report- Ashley Lynch**
Ashley reported that there will be possible amendments upcoming to the by-laws. According to Ashley the HOA is missing a conducts of meetings policy and that we will be working to get that through in early 2023.
- **Programming & Community Engagement Report- Ali Royer**
Ali commented that she has been working with our current paper goods distributor and EverGreen ZeroWaste to prepare for composting at the Ranch House. The program should be ready to roll out in January.
- **DRC Report- Jessica Hennessy**
Jessica reported that Home Improvement Applications have declined in recent weeks, which is typical for this time of year. She also noted that there are 26 homes under construction and 45 total active DRC files.
- **Finance Report- James Maguire**
- **Outside Service Report- Travis Green**
Board member, Laura Hanssen, thanked Travis Green for cutting the plow blade down for Old Town to better fit the sidewalks in that neighborhood.

VII. Old Business

- **Short Term Rental**
Mike Banbury commented that as of January 1, 2023 the Town of Carbondale will charge a 6% tax on Short Term Rental properties in Carbondale.

Michael also stated that RVRMA's governing documents limits occupancy of a home. This is determined according to the definition of family as defined in the Master Declaration which applies to residents of RVR as well as short term rentals. For instance, Bridal Parties and occupants of that nature would not fall within that definition.

Michael continued to say that he has been in touch with Robin Boyar, RVR resident and market research and strategy consultant, to assist in the

development of a STR Questionnaire. Michael noted that the Questionnaire will be designed to gather community feedback to structure the ballot.

Board Director, RJ Spurrier, commented that 78% of RVR members responded to a previous questionnaire and expressed that they would like restrictions on Short Term Rentals in the community. RJ noted that we still need information as to what kind of restrictions members want. He continued to say that a simple question, such as “Should we limit STR’s to 30 days?” would be good information to have. RJ also stated that he believes the survey should be relatively brief.

Ben Johnston stated that he has learned that the Aspen Glen STR amendment was a herculean effort that required a huge effort from committee members. Aspen Glen residents took the course of action of going door to door to collect enough votes for the amendment.

There was discussion from the board surrounding property values and the effect STR’s have on them. It was brought up that Aspen Glen restricted short term rentals and their property values are still in line with RVR and have not seen a drop in value.

Sherry Stripling commented that she agrees with the idea that just putting out another survey will create continued controversy between neighbors. She continued to say that she believes we are not ready for a ballot vote without more information to frame the ballot in a way that the board is prepared to support.

There was more discussion about the difficulty of enforcing STR’s should current STR homeowners be grandfathered in.

John recommended that the STR topic be left off of the board agenda until the survey was ready. The rest of the board was favorable to that idea.

- **Reserve Study**

Ashley commented that the Board decided that a new reserve study was needed. He continued to say that there are shared assets with the golf course and those shared assets have not been included in previous reserve studies. Ashley shared that he met with the golf course Superintendent, Chad Weaver. Chad relayed to Ashley that the shared asset of the irrigation pump houses were recently examined by a pump control company and they reported that there could be a large-scale expenditure up ahead. At this time, we are in a fact-finding phase.

Ben commented that the pump replacements and the lining of the lakes (also

a shared asset) is a tremendous potential cost and was surprised to hear that it was not covered in reserves. Ashley stated that it is important to note that we do not own the asset. Association reserves operate in a black and white world and if you own the asset, it's on the study. Our pump houses are different than the average pump house because they are shared between the HOA and the golf course; they run all night for golf and all day for the HOA. \$700,000 (split between golf and the HOA) could be the possible cost to replace.

There was discussion whether the HOA is legally able to build a reserve for something that we do not own. Ben Johnston recommended that the HOA consult their lawyer for more guidance. Ashley agreed that more data is needed.

- **2023 Budget Ratification**

Ashley commented that the community voted and the 2023 budget passed. There were 129 total votes 27 no votes and 100 yes votes with two members abstaining.

VIII. New Business

- **Reserve Investment Strategy**

Ashley commented that rates are very favorable through Edward Jones at the moment. Ashley continued to say that he and others believe it would be in the best interest of the HOA to invest another \$500,000 in a mix of 1 year and 2-year CDs. Rates are at 4.85% (2 YR) and 4.75% (1 YR) through Edward Jones. This would generate around \$24,000 of interest income in 2023. There is a chance that rates could decline in the near term. For this reason, we recommend splitting the investment with \$250,000 in a one-year CD and \$250,000 in a 2-year CD. We have sufficient liquidity to make this move. In December we have a CD maturing for \$135,000, and In April we have multiple CD's maturing which will add \$500K to our cash. We will need to analyze and decide at that time if we want to reinvest more based on long term planning and other factors.

Ashley continued to say we would love to initiate this transaction ASAP. While the investment policy does allow the financial advisory committee/board treasurer and GM to make these decisions, we wanted to discuss with the board, providing added transparency to the community.

The board discussed the benefits of the investment strategy and responded favorably to the proposal. They agreed that the 2-year CD was a good option.

- **Appendix F Revisions**

Jessica commented that the new changes to Appendix F are straight forward. As most will remember it was discussed in previous board meetings that it would be a good step to amend the appendix and eliminate any problematic trees. Jessica continued to say that Aspens, Cottonwoods and Willow trees were removed from the recommended list in the design guidelines. These trees cause problems due to their high-water requirements or in the case of Aspens, do not do well at this altitude.

Sherry commented that she was concerned the changes in the appendix were too restrictive and that the plant species listed were out of stock in most nurseries in the valley. It was noted that the DRC will review plants not listed in the appendix and approve their use, if they are found to be compatible with the climate and RVR's aesthetic objectives. The appendix is just a list of recommended species.

Motion: John Lund and Ben Johnston moved and seconded to approve the adjustments to appendix F. Todd Richmond was not present for the vote, but submitted his proxy, in writing, to vote "in favor" on the motion. The motion passed.

IX. Adjourn

- John and Michael moved and seconded to adjourn the meeting. The meeting adjourned at 6:41 p.m.

X. Executive Session

- Staff Wage and Benefit Discussion