

RVRMA EXECUTIVE BOARD MEETING
Wednesday, February 22, 2023 at 5:30 p.m.
Ranch House Conference Room and Zoom
Meeting

Executive Board of Directors

Michael Banbury, President
John Lund, Vice President
(*absent*)
Todd Richmond, Treasurer
Ben Johnston, Secretary
(*Via Zoom*)
Laura Hanssen, Director
(*via Zoom*)
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

I. Call to Order- Establish Quorum

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

II. Approval of Minutes and the Consent Agenda

- Approval of Meeting Minutes of the RVRMA Executive Board Meeting held on Wednesday, Jan. 25, 2022.

Motion: Board President, Mike Banbury and board member, Sherry Stripling, moved and seconded the approval of the consent agenda and meeting minutes of the RVRMA Executive Board meeting held on Wednesday, Jan. 25, 2023. The motion passed unanimously. John Lund was not present for the vote, but submitted his proxy, in writing to vote “in favor” on the motion. The motion passed unanimously.

III. Public Comment

- Wolf Gensch commented that he has heard from homeowners of the Old Town Community who shared that they are anxious about the Long Range Planning effort and how it will affect their HOA dues.

IV. Committee Report

- **Long Range Planning**
Mike commented that he would be giving the Long Range Planning update

since John Lund was not present. Mike commented that Long Range Planning meetings are open to the public and meeting minutes are posted to the website. Mike went on to say that plans have been modified in an attempt to control costs. The McMahon Group is set to connect with local contractors for pricing. First draft artist renderings of some of the key improvement items such as the outdoor bar and mailroom would be shared at an upcoming Long Range Planning meeting.

V. Month End Financial Review – James Maguire

James Maguire, RVR Controller shared a financial presentation featuring the 2023 budget, January's performance and the reserve fund.

James showed the 2023 operating budget overview. The net income and cost of goods sold equals the expense amount of \$2.979 million.

James commented that when broken out by month or by quarter, you can see the net surplus or deficit is uneven throughout the year. For the first quarter we are much heavier on the income side and in the last 3 quarters it is heavier on the expense side, with spikes on both sides happening during our busy summer months. By year end, we budget that it nets out to \$0.

James shared a high-level view of the month of January. We budgeted to have a \$35,000 surplus in January, and we wound up with a \$39,000 surplus. Income and Cost of Goods Sold were spot on and Expenses were under budget by \$4,000 out of \$200,000 which is less than a 2% difference.

Drilling down into the income, James sorted these by highest variance to lowest variance. Most line items were on target with investment income going the most over budget and DRC income going the most under budget. However, they wash each other out being close to the same variance amount. We expect to see this trend through the year. One other line to point out is Swim and Fitness being under budget by \$928.00. This is primarily because we didn't implement our fitness fees until February so this should improve next month.

January expenses showed Grounds was under budget by \$5,000 mostly due to timing with fuel and pool repairs. We have a fuel storage tank here at RVR and it gets filled about every other month. Pool repairs are unpredictable so it's a matter of timing. Wages and other personnel costs are doing great. Contrary to last year's big losses due to natural gas expense, our utilities were spot on for January due to adjustments to the 2023 budget. Irrigation was over budget due to the water reconciliation with the golf course. That was a onetime payment, and the rest of the year will be right on target. The last line item called Reserve Accounts is just a transfer account of the reserve funds collected in a month and transferred to the

balance sheet. This is just a reflection of the increase in investment interest income since that moves the reserve account on the balance sheet.

James ended the presentation with a snapshot of the reserve fund. The year ended with \$2 million, and we added the year end net operating surplus of \$35,000 to that to start with a \$2.041 million dollar reserve. In January we added a total of almost \$44,000 and spent \$26,000 on weight room equipment and a major pool pump.

The ending balance in the reserve fund was \$2.058 million.

VI. Management Update

- **General Manager Report- Ashley Lynch**

Ashley commented that the HOA received a quote from Rocky Mountain Pump Supply, and it looks like RVRMA could be on the hook for \$271,000 to replace the pump house facilities. The supply company recommended replacing the pump houses over five years.

Ashley shared that staff is looking at HOA software systems. Items such as DRC files, work order history and violation history by property and property owner could be tracked in the program. Mike Banbury asked if the software program could allow the HOA to look after and track STR infractions. Ashley responded that we currently have ways to track these, but a new software could help us to organize and consolidate. Ashley added that it could track short term rental violations. The HOA has had some short term rental issues in the settlement as of late and those have been tracked but it would be great to have software for it.

RJ commented that he loved the idea of a system organized by property. He also commented that data integration and keeping systems synced would be crucial.

Todd Richmond, Board Treasure, commented that whatever we get should have a robust archive in the software. He also commented that we should try to keep the cost down.

Ashley commented that Old Town recently released a roofing survey to the community to organize roofing replacements to get a better deal with a contractor. Laura Hanssen reminded everyone that homeowners in Old Town are responsible for their own roof replacements and the survey is just a courtesy that OTAC and the Ranch House are helping to communicate.

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

Ali commented that we received three new pieces of gym equipment: a stair

climber, rower, and functional trainer. Kaitlyn joined the front desk team, and we are now in the process of hiring summer staff and planning for lifeguard training.

- **DRC Report- Jessica Hennessy**

Jessica commented that there are a handful of new construction projects that are waiting for spring/summer weather to finish landscaping and prepare for final inspections. Administrative requests are picking up as homeowners prepare for spring projects.

- **Finance Report- James Maguire**

- **Outside Service Report- Travis Green**

Travis commented that he was able to start up the soft serve machine as a test run for the summer. Some of the irrigation staff attended the Pro Green Conference in Denver in February. Travis also mentioned his crew is preparing for the upcoming temporary Ranch House closure.

VII. Old Business

- **Twentieth Amendment**

Mike introduced the topic of the Twentieth Amendment. The Twentieth Amendment was featured and discussed at the January BOD meeting. The Amendment adds clarity to sections in the design guidelines that make reference to view easements and exterior wall transitions. It was noted that the covenants do not acknowledge, create or provide the authority to acquire or grant view easements within RVR.

Motion: RJ Spurrier and Mike Banbury motioned and seconded to approve the Twentieth Amendment. John Lund was not present for the vote, but submitted his proxy, in writing to vote “in favor” on the motion. The motion passed unanimously.

VIII. New Business

- **Commercial Package Insurance Coverage**

Ashley introduced the topic of the Commercial Package Insurance Coverage. He stated the package is up for renewal next year. He continued to say that it is apparent that there is not enough coverage for the Ranch House building. Given that the coverage is standing at \$385 a square foot which would not be enough money to rebuild the Ranch House should something catastrophic happen. Ashley requested quotes to increase that coverage. The HOA did budget for a big increase. Insurance rates are climbing and building costs are climbing. Ashley proposed increasing the coverage to \$500 per square foot. Ashley noted that the \$500 per square foot would result in \$2,530 extra cost and if we went all the way up to \$650 per square foot it would be an additional \$8,000 on the budget for the year.

Todd commented that he realizes that there is budget but he leans towards insuring for what a realistic amount is.

RJ commented that he would defer to Todd.

Ben Johnston commented that it makes complete sense to do this and a smart idea.

Laura commented that she agrees and that she has gone through this at her home in trying to decide what to do and it is a race to be properly insured. Laura continued to say that something this big is critical and it's the biggest asset we own and it's important to have it properly insured.

Sherry Stripling commented that it is a matter of risk tolerance versus expense. Sherry agreed to raise to at least \$500 a square foot and not go as high as what we think the actual replacement cost will be.

Mike commented that we could consider that we have a \$2 million reserve account which is for improvements in the Ranch House and if the Ranch House was destroyed all of that \$2million would be available. Todd commented that he wouldn't bring in the reserve because if something did happen and we used the reserve it would show up the next year in a massive special assessment and an increase in the dues.

Mike stated that everyone seems to be in favor of going over budget on the insurance number to make sure that we are protected.

Ashley commented that he can share the final analysis before the final decision is made. It sounds like \$500 per square foot or \$650 per square foot or somewhere in between is where we leave it, and we can share final thoughts with the Treasurer of the Board and the Board President before a final recommendation goes to the board.

IX. Adjourn

Motion: Mike Banbury and Todd Richmond motioned and seconded to adjourn the meeting. The meeting adjourned at 6:38 p.m.

X. Executive Session

- Legal matters regarding property transactions in RVR.