

RVRMA EXECUTIVE BOARD MEETING
Wednesday, October 25, 2023, at 5:30 p.m.
Ranch House Conference Room and Zoom
Meeting Minutes

Executive Board of Directors

Michael Banbury, President
John Lund, Vice President
Todd Richmond, Treasurer
Ben Johnston, Secretary
(Via Zoom)
RJ Spurrier, Director
Sherry Stripling, Director
Carl Hostetter, 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
(Via Zoom)

Homeowner Attendees:

In Person:

Steve Laverty
Sarah Murr
Diane Cavarra
John Lund
Wolf Gensch
Laura Hanssen
Cari Shurman

Via Zoom:

Abby Radmilovich
Todor Radmilovich
John Krousouloudis
Krystina Greenwood

I. Call to Order- Establish Quorum

Board President, Mike Banbury called the meeting to order at 5:30 p.m. A quorum was established. Ben Johnston, Board Secretary joined via Zoom.

II. Approval of Minutes

- Board Director, Carl Hostetter, and Board Vice President, John Lund, moved and seconded the approval of meeting minutes for the Executive Board meeting held on Wednesday, Sept. 27. 2023. The motion passed.

III. Public Comment

- Steve Laverty commented that the reserve study showed a recommendation of 2.5% a year being over the 70% funding mark by 2035/36.

Steve was curious about the \$10 jump in the proposed budget if the study shows the 70% funding threshold would be reached in 13 years. Steve then commented on the Long Range Plan and whether the HOA will calculate the impact of the vote and what the reserve study requirements are going to be based on whatever amount is approved. Lastly, Steve asked about the special assessment versus the loan in the survey. Steve thought that it implied that an owner wouldn't have to pay the assessment but would need to settle up upon sale of the property. Steve was curious about the actual construct of that piece of the assessment.

- Cari Shurman had two questions on the voting process for the Fourth Amendment ballot. First, Cari asked if a couple owned two properties, but did not agree on which way to vote, can they each vote or would one vote count towards both properties? Cari then asked for clarification of the rules for homeowners who vote then sell their property. She wondered why someone who would be leaving RVR would receive the voting rights for the property.
- Todor Radmilovich asked how the board plans on operationalizing the enforcement for the Fourth Amendment. Todor brought up that he thought occupancy language in the amendment would make it so anyone occupying an owner's home is subject to a 30-day minimum and the owner would not be able to come home for 30 days or be subject to a large fine. Todor said he interpreted this to mean any guests (friend or relative) could be subject to a lease.

Todor went on to ask how the HOA is preparing for legal defense funds. Todor added that he anticipates class action suits from harm the amendment will have on RVR property values.

IV. Committee Report

- Long Range Planning
John Lund, Chairman of the Long Range Planning Committee, commented that there has been progress since the last board meeting. Survey results and analysis was provided by the McMahon Group and shared with all homeowners. John highlighted information from the Long Range Planning survey:
 - 59 percent of homeowners participated in the survey.
 - Sixty percent of respondents are satisfied with the plan, 17% assigned a "neutral" rating. Only 23% are dissatisfied with the plan.
 - Six of the 15 components of the plan were reported as important/very important to at least half of the respondents. That included replacing the pool deck and tile at the pool area, refresh and

improve the Ranch House, improve the pool complex, rebuilding and relocate the maintenance buildings, new furnishings at the pool area and refreshing the interior décor at the Ranch House.

McMahon's recommendation was to focus on those items and make sure they are in a final plan that will be considered for vote. Other items to the plan that had support from the community included the bar at the pool area, new restrooms at the Ranch House, a new mail room, pool cubbies, outdoor shower and changing rooms. John added that it was interestingly noted that some of those improvements were rated as more important to new residents and that maybe those features are attractive to new buyers in the neighborhood.

John shared that Sixty-two percent of respondents are satisfied with the proposed funding plan and 14% are neutral. It was added that McMahon explained that a neutral rating was positive because it leans more towards support than opposition. Over three-fourths of respondents (76%) are satisfied or do not oppose the funding plan.

John said that he, Carl, Mike and Ashley have spent some time to improve the design, pair it down and do it more efficiently. They have come up with a revised plan with basic features that are important to people at a significantly lower price. The goal is to look at a new plan at the November Long Range Planning meeting.

Ben Johnston commented that homeowners should speak to their lawyers about the assessment component during the sale of their home. He added that this is addressed in a standard real estate purchase contract (which 99 percent of all owners would use) unless otherwise edited, it says, any special assessments that are levied whether assessed or not are the responsibility of the seller.

V. Month End Financial Review – James Maguire

RVRMA Controller, James Maguire, shared a financial presentation that featured September's performance, year-to-date budget versus actual and the reserve account.

September ended with over a \$12,000 surplus with income over budget by \$8,678 and COGS over by \$5,701. James commented that COGS typically go up as income goes up. Expenses were under budget by \$9,497.

As for year-to-date, RVRMA are still doing very well. Budgeted income was \$2.119 million, and we brought in \$2.142 million (1% variance). Cost of goods are running

over budget by \$11,880 (5% variance).

Expenses are still running under budget and now we are \$44,000 under (2% variance). Out of a budgeted \$1.882 million, we spent \$1.837 million. That margin is expected to thin out in the next couple of months with some deferred expenses.

Bottom line for year-to-date as of September 30 is a \$54,727 surplus. We are forecasting this surplus to drop within 1% of budget by year-end, which would be between \$20,000 and \$30,000.

James drilled down into more detail the income for year-to-date, noting that we see the same pattern as previous months. Food and beverage, memberships, and tennis were higher than expected and DRC income and swim/fitness are under budget. When netted out, total income is within only 1% variance of the budget at \$22,498.

As for year-to-date operating expenses, we are running under budget by \$44,109 (2.3% variance).

The largest savings has been with personnel costs and grounds maintenance. Ranch House expenses are the highest over budget and they include plumbing repairs, security system maintenance, and general repairs to the Ranch House.

Finally, James shared a snapshot of the reserve account. As of September 1 \$2.232 million, was in the reserve balance. September assessments were \$38,780 and interest income was \$9,845 for a total increase of \$48,625. September spending included finalizing the security camera system upgrade and payments for long term planning for a total of \$7,346 spent from the reserve. The ending reserve balance on September 30 was \$2,272,887.

VI. Management Update

- **General Manager Report- Ashley Lynch**

Ashley commented on the Emerald Ash Borer topic. Noting that there is not much new information since last month. The HOA has around \$20,000 to \$30,000 budgeted next year for this issue. Ashley shared that depending on the size of the tree, owners are looking at around \$100 - \$150 for one tree to be treated and injected. Ashley said that homeowners can contact Aspen tree Service or Earthwise Horticultural for advice on how they can treat trees on their property.

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

Ali commented that they were able to keep the tennis courts open longer due to the beautiful weather. Ali is looking at adding a couple fitness classes

now that winter is approaching. She added that there are 4 events upcoming at the Ranch House including two Halloween events, an Artist Meet & Greet and a Craft Fair.

- **DRC Report- Jessica Hennessy**

Jessica commented that it has been “business as usual” in DRC and they have been working on a new amendment to the guidelines which will come up later in the meeting.

- **Finance Report- James Maguire**

- **Outside Service Report- Travis Green**

Travis noted that RVRMA crews have been working on winterizing the irrigation systems throughout the community.

VII. Old Business

- **Short Term Rental - Voting Update**

Ashley shared the Fourth Amendment vote approximation numbers:

- 335 yes, 90 no’s for 425 total votes.
- 368 total yes votes needed to pass. (33 more votes needed to pass).
- 248 Total Voters. (123 remaining votes).

Ashley responded to questions that came up in public comment. It is outlined on the voting page of the ballot that if someone owns multiple properties, their vote will be cast towards all owned properties. If someone wishes to cast a different vote per property, they can contact the office for paper ballots. Ashley went on to say that the HOA consulted legal counsel regarding the topic of votes cast for properties that are sold. In accordance with the non-profit corporation act, a ballot could not be revoked once it is cast. If a property sold and a vote was cast for that property, staff will first check to make sure a vote was not cast for the property, and if it wasn’t, staff will send them a ballot.

Sherry commented that the board should be mindful when setting future voting duration time and keep in mind that there will be more turnover of ownership with long voting periods (4 months for Fourth Amendment vote).

Sherry added that there may be some false information that was shared during public comment. There was a comment made that there was a \$10,000 minimum fine written in the Amendment. Sherry commented that it is actually a \$10,000 maximum. Ashley shared that house Bill 22-1137 caused all HOA’s to rewrite their enforcement policies. Ultimately, the bill limits the powers of an HOA to levy fines against homeowners and \$500 is

set for the maximum fine. There is also a 30-day cure period, and the owner has a right to sit before an enforcement committee regarding the violation. The HOA also has an obligation to communicate this to the homeowner.

- **Board Liaisons - OTAC & SAC**

Ashley commented that Laura Hanssen was the OTAC liaison but is no longer on the board so the board would need to appoint a new liaison for that Advisory Committee. Ben Johnston has been liaison for the Settlement Advisory Committee for quite some time and there may be an opportunity for a fresh face. Ashley added that it is beneficial to have a board liaison for these Advisory Committees.

Mike Banbury stated that he is willing to sit as the Liaison for OTAC and SAC over the next year, and after a period of a year or so he would report back to the board and share his feedback. Sherry added that she can serve as Mike's back up.

VIII. New Business

- **Twenty First Amendment to the Design Guidelines & Appendix D**

Jessica Commented that the DRC is recommending a new amendment to the Design Guidelines (the Twenty-First Amendment). They are also recommending changes to Appendix D which will tie into the twenty first amendment.

Jessica went on to say that currently, section 7.10 titled "Professionals" only asks that applicants retain competent assistance from an architect and landscape architect licensed in the state of Colorado. The new amendment will add "civil engineer licensed in the state of Colorado" to the list of required professionals. Sections 7.7 and 9.23 titled "Meetings, Fees, and inspections" & "RVRMA Inspections" of the design guidelines both outline the different inspections that are completed by the DRC during the construction phase of a home. The DRC cleaned language up in these sections, they felt a foundation inspection was not necessary so that was eliminated from the list. There was also the addition of a grading inspection. The DRC felt that adding a grading inspection would help catch any deficiencies during the grading process for new construction properties.

Appendix D is a document that lists final requirements for new construction submittals. Edits have been to this Appendix so that civil engineer language

is noted for final requirements on a submittal.

RJ Spurrier commented that the intent of the Civil Engineer language made since but there is language in section 7.10 b. that could be further adjusted.

RJ commented that it makes sense for new construction projects to have the “professionals” verbiage and is useful for these large projects, but for an existing improvement project, the direction given in 7.10b of the Amendment seems unreasonable.

Jessica commented that the DRC can take another look at the language to create a more streamlined and less cumbersome process for improvements to existing projects.

Sherry added that there may be opportunities to clean up language about the definition of a civil engineer as well. Jessica commented that she can further discuss that piece with the DRC.

- **2024 Budget, Community Meeting Feedback**

Mike commented that there was good feedback during the community budget sessions. Ashley said that the October board meeting is a chance for the board to have an ongoing discussion concerning the budget, the board will vote on the budget in November and it will go to the public to vote in December, the board will then ratify the budget at the December board meeting.

Todd Richmond Comment that the total annual amount of funds that would go into the reserve fund should be shown in the budget that is shared to the community. Todd added that we should put together a forecast for what we are going to spend on capitol projects and review that periodically. Ashley and James said they would be more than happy to create that.

IX. Adjourn

John and Sherry moved and seconded to adjourn the meeting. The meeting adjourned at 6:48 p.m.

X. Executive Session

- Legal Discussion - Allocated Interest Update