



RIVER VALLEY RANCH

RVRMA EXECUTIVE BOARD MEETING
Wednesday, Dec. 11, 2024, at 5:30 p.m.
Ranch House Conference Room & Zoom

Executive Board of Directors

Michael Banbury, President
John Lund, Vice President
Todd Richmond, Co-Treasurer
Carl Hostetter, Co-Treasurer
Ben Johnston, Secretary
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

- Approval of Meeting Minutes of the RVRMA Executive Board Meeting held on Wednesday, Nov. 13, 2024.

III. Public Comment

- Comments in public comment are for agenda items only.

IV. Month End Financial Review – James Maguire

V. Management Update

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

VI. Old Business

- Ranch House Renovation Update (*info.*)
- 2025 Budget Ratification (*info*)

VII. New Business

VIII. Adjourn

IX. Executive Session

- Staff Wage Discussion



RIVER VALLEY RANCH

RVRMA EXECUTIVE BOARD MEETING
Wednesday, Nov. 13, 2024, at 5:30 p.m.
Ranch House Conference Room & Zoom
Draft Meeting Minutes

Executive Board of Directors

Michael Banbury, President
John Lund, Vice President
Todd Richmond, Co-Treasurer
Carl Hostetter, Co-Treasurer
Ben Johnston, Secretary
RJ Spurrier, Director (*absent*)
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

Homeowner Attendees

In Person:

Wolf Gensch

Via Zoom:

John Krousouloudis

I. Call to Order- Establish Quorum

- RVRMA Board President, Mike Banbury called the meeting to order at 5:30 p.m. A quorum was established.

II. Approval of Minutes

MOTION: John Lund, Board Vice President, and Carl Hostetter, Board Co-Treasurer, motioned and seconded the approval of meeting minutes of the RVRMA Executive Board Meeting held on Wednesday, Oct. 23, 2024. The motion passed.

III. Public Comment

- There was no public comment.

IV. Month End Financial Review

RVR Controller, James Maguire, shared a financial presentation with a review of the budget versus actual and the reserve account.

First, a high-level overview of October was shared. The month came in at \$16,600 below budget. Total income was under \$816 and there was about a \$5,000 shortfall in DRC income this month and an overage of about \$6,000 in tennis income. Cost of Goods Sold was over by \$6,500.

Expenses were over by almost \$11,000 as forecasted. The bottom line for October is a \$16,600 deficit. This was expected and is what we have been projecting for the year-to-date surplus to drop from \$39,000 to around \$25,000.

James then highlighted a high-level overview of the budget versus actual, year-to-date. Starting at the bottom line, the net surplus has dropped to \$22,710. This surplus is still largely due to the excess in DRC income from earlier in the year. Overall, income is running about 2.1% over budget, COGS are 5.4% over budget mostly in proportion to excess tennis income, and expenses are still right on target at .7% of budget.

Next, James went into more detail about the income year-to-date. DRC is still up but not as much as last month since there was a shortage of \$5,000 in October. As mentioned, tennis was up in September and October but only by about \$10,000. Everything else is mostly in line and at the bottom is a surplus of \$51,000. The last several months have been in alignment with the budget, with the major spikes in Feb and May coming from DRC income.

The HOA has been saving on utilities, personnel costs, and irrigation. The savings in utilities are mostly from natural gas. Personnel costs, which include wages right on target with the budget with only a \$4,000 variance out of a \$1.257 budget. The bottom line is a mere \$11K or .5% over budget.

We expect November and December to be very close to the budget, landing us at around \$20,000 - \$25,000 surplus for the year end.

James finished with a snapshot of the reserve account in October. The starting balance was \$5.913 million on an accrual basis. We collected \$44,320 in reserve assessments and earned \$11,413 in interest for a total reserve funding of \$55,733. The ending balance in the reserve account on October 31 was \$5,926,150.

James then pointed out that \$2 million was invested in CD's which should generate about \$40,000 in interest income for the reserve account. Board President, Mike Banbury asked the maturity of the CD's. Ashley answered that the maturity date is

6 months.

V. Management Update

- **General Manager Report- Ashley Lynch**

Ashley commented that the leaf dumpster will be gone sometime next week and the leaf pick up contract for the community ends around the 15th of November.

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

Ali commented that there has been a very robust event calendar and holiday parties are open and ready for registration.

- **DRC Report- Jessica Hennessy**

Jessica commented that there is not much new information to share since the last board meeting and it has been business as usual.

- **Finance Report- James Maguire**

- **Facilities & Grounds Report- Travis Green**

Travis shared that they are ready for snow.

VI. Old Business

- **Ranch House Renovation Update**

Ashley shared that there is a detailed renovation update report in the board packet. There has been a lot of due diligence done on the HVAC system at the Ranch House. HVAC would be part of the reserves and not the special assessment piece of the project. We are looking at everything carefully to decide what we may or may not do. A full replacement of the cast iron boilers and possibly replacing them with high efficiency boilers is part of the preliminary cost estimates. Transitioning the current HVAC system to a variable air volume system is also part of prelim cost estimates.

Ashley mentioned that our HVAC system works on constant velocity airflow. This means that airflow is constantly pushed out of the building. VAV (variable air volume) would shut down dampers so there would not be a constant output of exhaust coming out of the building. A lot of energy would be saved as conditioned air inside the building is constantly being exhausted in the current setup. That said, it would be a big project in order to convert to a VAV system. It would also give less air exchange in the building than the current setup.

VII. New Business

- **2025 Budget**

Mike commented that the board talked last month about the proposed 2025 budget and added that there wasn't a lot of feedback from the community.

John Lund commented that the budget process has been very smooth and that there was no controversy. John added that there is a high level of confidence in the team.

MOTION: Todd Richmond and John Lund motioned and seconded to approve the proposed 2025 Budget. The motion passed.

VIII. Adjourn

MOTION: Sherry Striplin g and John Lund motioned and seconded to adjourn the meeting. The meeting adjourned at 5:49 p.m.

IX. Executive Session

- Legal Discussion Concerning Community Assets



December 11, 2024

General Manager's Report

Governance/Operations:

- We continue to work on items concerning the execution of the Ranch House renovation plan. Please refer to the renovation update in the board packet.
- 2025 Budget vote has closed. The vote closed the day prior to the board meeting and will be reported on verbally during the meeting.
- We have 2 OTAC seats expiring in 2024. At this time there are not applications to fill those seats.

Staffing

- Staffing is complete.

Sub-Associations & Neighborhoods

- **The Boundary** – the community had a meeting on Oct 17 and will meet again on Jan. 16 at 3pm.
- **Crystal Bluffs** – the community had an annual meeting on Dec 5th Their budget was approved for 2025, no other items to report.
- **The Fairways**– No updates
- **The Settlement**--
- **Old Town and Settlement** –
 - Emails with information have gone out to all homeowners who will be painted/stained in 2025
 - An email went out on Oct. 28 to all Old Town Homeowners soliciting applications or the two committee positions that expire in 2025. At this time there are no applicants.
- **Thompson Corner**
 - No updates

Fitness

Fitness classes have seen an increase in attendance. We have a new Pilates instructor, Lauren Haimbaugh. She was referred to us by a previous instructor, Natalie Noakes. Lauren and her husband moved to Carbondale from Australia in the beginning of December. Lauren is teaching 4 pop up classes in December, then beginning a regular class after the holidays in January. So far, the feedback is amazing. We are excited to have her! You may have noticed a few pieces of upholstery in the gym have been replaced. Here is the most recent fitness schedule.

Day	Time	Location	Class	Instructor
Monday 12/9				
	6:00-7:00 AM	Studio	PEAK Fitness	Jace
	8:00 - 9:00 AM	ZOOM	Qigong: Moving Meditation	Cari
	8:00 - 9:00 AM	Studio	Pilates for Everyone	Alexandra
	9:30 - 10:30 AM	Studio	Strong & Stable	Shaylee
Tuesday 12/10				
	8:00 - 9:00 AM	Studio	Gentle Slow Flow Yoga	Anthony
	9:30 - 10:30 AM	Studio	HIIT	Lauren
	5:30 - 6:30 PM	Lap Pool	Mater Swim	Dave
Wednesday 12/11				
	6:00-7:00 AM	Studio	PEAK Fitness	Jace
	8:00 - 9:00 AM	ZOOM	Qigong: Moving Meditation	Cari
	8:00-9:00 AM	Studio	Cycling + Upper Body Strength	Susan
	9:30 - 10:30 AM	Studio	GRIT + Core/Stretch	Lauren Hinson
	11:00 - 12:00 PM	Studio	Gentle Slow Flow Yoga	Shelly
Thursday 12/12				
	7:30 - 8:30 AM	Studio	Vinyasa Flow (moderate)	Shelly
	9:30 - 10:30 AM	Studio	Dynamic Strength	Bonnie
Pop Up Class!	10:45-11:45 AM	Studio	Pilates Sculpt	Lauren Haimbaugh
	5:30 - 6:30 PM	Lap Pool	Master Swim	Dave
Friday 12/13				
	6:00-7:00 AM	Studio	PEAK Fitness	Jace
	8:00 - 9:00 AM	Studio	Gentle Slow Flow Yoga	Shelly
	9:30 - 10:30 AM	Studio	Cycle + Strength	Shaylee
Pop Up Class!	10:45-11:45 AM	Studio	Pilates Sculpt	Lauren Haimbaugh
Saturday 12/14				
	9:00 - 10:00 AM	Studio	Ageless Athlete	John
	10:15 - 11:15 AM	Studio	Bootcamp	Shaylee
Sunday 12/15				
	4:30 - 5:30 PM	Studio	Restore & Renew Yoga	Ellen

Ranch House Usage – November Summary

1. We had 2,730 check-ins for November (compared to 3,208 check-ins in October, and compared to 2,417 in November 2023)
 - a. 218 were Thompson Corner or ADU members.
 - b. 2,512 were homeowners or transferred members (long-term renters)

Past & Upcoming Events

Recent Events

- 11/2 Fall Craft Fair
- 11/7 Cyber Security Presentation
- 11/12 Nonprofit #2 Presentation and Meet & Greet
- 11/19 Ski Club 2024/2025 Meeting and Social
- 11/22 Bourbon Tasting
- 11/25 Artist Meet and Greet with Dave Clark

Upcoming Events

- 12/7 Annual RVR holiday party
- 12/14 Donuts with Santa
- 12/17 Artist Meet and Greet with Tom Hazard
- 12/18 Ballet Class Holiday Performance
- 12/31 New Year's Eve Group Swim and Potluck

DRC Report | December 2024
Jessica Hennessy

DRC Review Projects, December 2024:

- **Lot:** EE11, 860 Perry Ridge | **Review:** First Preliminary
- **Lot:** Y04, 179 Sopris Mesa | **Review:** Garage Conversion
- **Lot** M19, 822 Lakeside | **Review:** Variance Request

The DRC will meet once during the month of December due to the Christmas holiday. In addition to new construction projects the DRC will also review various improvement requests such as sculpture installations, fence replacements, and other miscellaneous items. Inspections and site visits are being performed as usual.

DRC Numbers:

- There have been **138** Administrative Approvals processed so far this year compared to **97** in December of 2023.
- There are currently **19** homes in the construction phase (from breaking ground to the final inspection phase/closeout).
- There are **5** applicants in the Preliminary Design Review phase.
- There are **5** applicants finalized by DRC and waiting on permits from the Town of Carbondale.

Financial Report

November 2024

Prepared by James Maguire

Budget vs Actual

With only one month left in the fiscal year, we are still on target for ending the year close to 1% of budget.

As reported last month, we forecasted November to be flat to the budget. We hit that target. The budget for income less COGS was \$204,375 and we landed at \$204,761, a difference of only \$386. Expenses in November were \$177,673 out of a budget of \$178,275, a difference of only \$602. The net bottom line for November was a \$989 surplus.

As for year-to-date, actual income is \$2.678M out of a budgeted \$2.626M, an overage of \$53K.

COGS are \$288K out of a budgeted \$272K, a variance of \$16K.

Expenses are \$2.347M out of a budgeted \$2.333M, a variance of only \$13K or 0.6%

The net bottom line for year-to-date is a surplus of \$23,510.

Our forecast for December is to again be flat with the budget with possibly another a small surplus, depending on some variables such as DRC income, the holiday party, and legal fees.

Special Assessment

As of the end of November, we had 3 unpaid special assessments. 1 of them paid in full at the beginning of December, so we are down to 2 for a total of \$5,500 past due. We are past the 30-day mark of having sent the Notice of Delinquency, so we involved the assistance of our legal counsel in addition to continuing to reach out directly for payment or a payment plan. We hope to have a resolution by year-end.

As for spending on the renovation project, a total of \$68,846 has been spent so far on survey, engineering, and architectural work. The total project is a little over \$3M. Budgeting for the project has been ongoing as the scope and cost of work comes more into focus with our architectural and construction firms.

Reserve Funds

The beginning RVRMA total reserve fund balance in November was \$5,942,824, of which \$2,895,824 is capital reserve and \$3,047,000 is the special assessment.

Total reserve income from dues was \$44,320 and interest income was \$13,438. We also received \$11,028 in tax refunds.

We spent a total of \$91,205 from reserves, of which \$68,846 was from the special assessment fund and \$22,359 from the capital reserve fund. Both were for the survey, architectural and engineering work mentioned above.

The total ending balance in the reserve account on November 30th was \$5,920,404, or \$2,942,250 in the capital reserve and \$2,978,154 in the special assessment fund.

River Valley Ranch Master Association
Profit & Loss Budget Performance
November 2024

	November	Budget	YTD Actual	YTD Budget	Annual Budget
Income					
Assessments - Operating	187,252	187,275	2,059,922	2,060,025	2,247,300
Memberships	4,209	4,100	83,719	78,300	83,000
Swim & Fitness	1,001	1,000	21,291	19,300	20,300
Tennis	0	0	206,946	197,000	197,000
Homeowner Reimbursable Assessments	10,304	9,000	122,103	114,000	123,000
Other Income	9,336	9,300	184,245	157,000	167,800
Total Income	212,102	210,675	2,678,226	2,625,625	2,838,400
Cost of Goods Sold					
Swim & Fitness	5,368	5,000	69,107	64,700	69,700
Tennis	0	0	172,229	162,750	162,750
Concessions	92	300	27,446	26,000	26,300
Credit Card Fees	1,881	1,000	19,262	19,000	20,000
Total COGS	7,341	6,300	288,044	272,450	278,750
Gross Profit	204,761	204,375	2,390,182	2,353,175	2,559,650
Expense					
Personnel	116,958	119,448	1,370,156	1,377,007	1,536,935
Grounds	6,976	8,470	370,666	362,095	370,665
Irrigation	5,655	6,200	108,492	111,700	117,900
Ranch House Expenses	14,929	14,450	139,322	130,100	141,550
Utilities	11,861	12,567	125,730	132,037	144,700
Administrative	12,439	10,340	122,749	114,340	124,800
Finance	856	200	6,159	6,700	6,900
Design Review Committee	4,612	3,000	36,505	32,000	34,000
RVR Community Expenses	3,385	3,600	66,796	67,100	82,200
Total Expense	177,671	178,275	2,346,575	2,333,079	2,559,650
Net Operating Surplus / Deficit	27,090	26,100	43,607	20,096	0

RVRMA Reserve Activity
November 2024

	November	Budget	YTD Actual	YTD Budget	Annual Budget
Reserve Income					
Reserve Assessment Income	44,320	44,320	487,520	487,520	531,840
Investment Interest Income	13,438	8,000	112,184	92,000	100,000
Total Reserve Income	57,758	52,320	599,704	579,520	631,840

	Capitla Reserve	Special Assess.	Total RVRMA
Reserve Balance November 1	2,895,824	3,047,000	5,942,824
Income - Reserve Dues & Interest	57,758	0	57,758
Income - Tax refunds	11,028	0	11,028
Spending	(22,359)	(68,846)	(91,205)
Reserve Balance November 31	2,942,250	2,978,154	5,920,404

River Valley Ranch Master Association

Public - Balance Sheet

As of November 30, 2024

ASSETS

Current Assets

Checking/Savings

Wells Fargo Operating 223,895

Investment Accounts 5,801,108

Total Checking/Savings 6,025,003

Accounts Receivable

Special Assessments A/R 1,150,725

HOA Dues A/R 0

Miscellaneous A/R 200

Total Accounts Receivable 1,150,925

Other Current Assets

Undeposited Funds 0

Interest Receivable 16,563

Prepaid Expenses 39,682

Inventory 6,421

Total Other Current Assets 62,666

Total Current Assets 7,238,594

Fixed Assets 604,338

TOTAL ASSETS 7,842,932

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable - Vendors 89,609

Accounts Payable - Payroll 46,306

Accounts Payable - Payroll Tax 3,155

Accounts Payable - P&D Deposits 925,740

Total Accounts Payable 1,064,810

Credit Cards

Wells Fargo Credit Card 10,897

Total Credit Cards 10,897

Other Current Liabilities

Interest Payable - P&D Deposits 13,405

Prepaid HOA Dues 19,507

Prepaid Income - DRC Fees 41,626

Prepaid Income - Other 1,815

Sales Tax Payable 78

AVLT Payable 31,471

Payroll Liabilities 220

Total Other Current Liabilities 108,122

Total Current Liabilities 1,183,829

Total Liabilities 1,183,829

Equity

Reserves (RVRMA, OT, TS) 6,011,975

Prior Operating Fund 1,058,167

Transfers to from Reserves (604,204)

Retained Earnings 154,302

Net Income 38,863

Total Equity 6,659,103

Rounding 0

TOTAL LIABILITIES & EQUITY 7,842,932

Dear Board Members,

I am pleased to provide an update on the recent grounds and facilities activities at River Valley Ranch.

Irrigation: The irrigation team is busy refurbishing cla-valves in the shop, it is a tedious process but is good work for cold days. The crew is scheduled to attend the pro green conference next month for continued education on best landscaping and irrigation practices.

Trees: Tree removals are scheduled for the south entrance later this month.

Snow: Omar's crew is doing a great job with snow removal in Old Town and Settlement.

Christmas Décor: The neighborhood entrances and the Ranch House are festive and ready for the holidays.

Street Signs: We are going to be replacing faded street signs throughout the neighborhood in the coming weeks.

Happy Holidays,

Travis Green

Ranch House Renovation Updates

We held a meeting with the Design Advisory Group (DAG) on December 3rd to discuss Schematic Design (SD) prior to entering the Design Development (DD) phase.

We received preliminary pricing from RA Nelson (RAN) on November 15th. That pricing caused us to request updates to SD pricing to evaluate alterations to the scope being considered. During the meeting with the DAG we reviewed pricing and made recommendations for drawings that would bring us into Design Development. We continue to work with financials to ensure that we have a full understanding of all costs. To be clear, the design is still in flux and future pricing rounds will allow us to make adjustments as we fine tune details.

From the perspective of the “special assessment portion” of the project, the current design shows us nearly flat with our budget, though as noted earlier this pricing and scope is still very much subject to change.

From the perspective of the reserve portion of the project, we asked the General Contractor (GC) to entertain additional preliminary bids for work on the pool deck/pool plastering, etc. We are awaiting those new estimates to gain confidence in preliminary pricing estimates. Here it should be noted that we are not soliciting bids from sub-contractors at this stage of design. Pricing estimates are being obtained to ensure that we have dependable estimates to guide design decisions.

At this stage, we plan to perform needed maintenance/replacement for all reserve items that were discussed during the course of the Long-Range Planning Committee’s (LRPC) work. A short list of those items include: maintenance building replacement, pool deck replacement, partial window replacements, roof replacement, resurfacing all bodies of water, replace coping and tile work in pools, etc. These are some of the most expensive items to accomplish, particularly those related to the pools/pool decking. Preliminary cost estimates from a local contractor on these items came in high—hence our investigation into alternative preliminary price estimations. There are many other extraneous reserve items that are in our reserve study such as boiler replacement or augmentations to our HVAC system. At this time, we are reviewing all pricing and performing due diligence (as noted in my previous report) to guide a path forward.

Since my last report in November, we have had our boilers inspected and they have received an overall clean bill of health, though there are components that will always be subject to unexpected failure. As we had this work done, we had discussions about maintenance priorities should we retain the current boilers for a longer period of time. Boilers and HVAC work may be part of a longer strategy of planned replacement given the large-scale expense and the anticipated additional life that current components seem to have. Solar is also a consideration, we are obtaining price estimates and ROI projections.

We hope to have a design set to share soon, but I will share some more specific design details of the mailroom, as it’s overall design and dimensions seem to be more stable at this time. I will also elaborate a bit more on the overall design concepts.

Overall Design:

At this time, the current design is quite similar to what the LRPC recommended. The bar is planned to undergo a full refresh with new equipment, barstools a new bar top, keeping its current rough dimensions. A window will be added, creating a pool view and letting light into the reception area. The front desk will likely be replaced to be more ergonomic and space efficient. Lighting fixtures will be upgraded throughout the main level with all new furniture. The current restroom behind the front desk will be repurposed for refrigeration and dry storage with a utility sink. We will also be adding new modern water fountains that allow water bottles to be refilled. All of this is roughly in keeping with the concepts shared with the community. This is by no means a comprehensive list, but we will share more in the coming months.

The east addition on the other side of the great room fireplace has been drawn slightly larger than what the LRPC had envisioned, adding a storage area and an office area (likely used by the tennis pro). This design was entertained by the DAG under the assumption that added square footage here might be of little cost. It was drawn by the architects to understand if it would be advantageous from a cost perspective. It would eliminate the need for any renovations to the tennis shed (Cristina's office) and storage could be used just off of the Great Room. As we move through design stages, we will need to weigh the usefulness of this space with financial realities. That said, if it is not vetted, we can't make informed decisions.



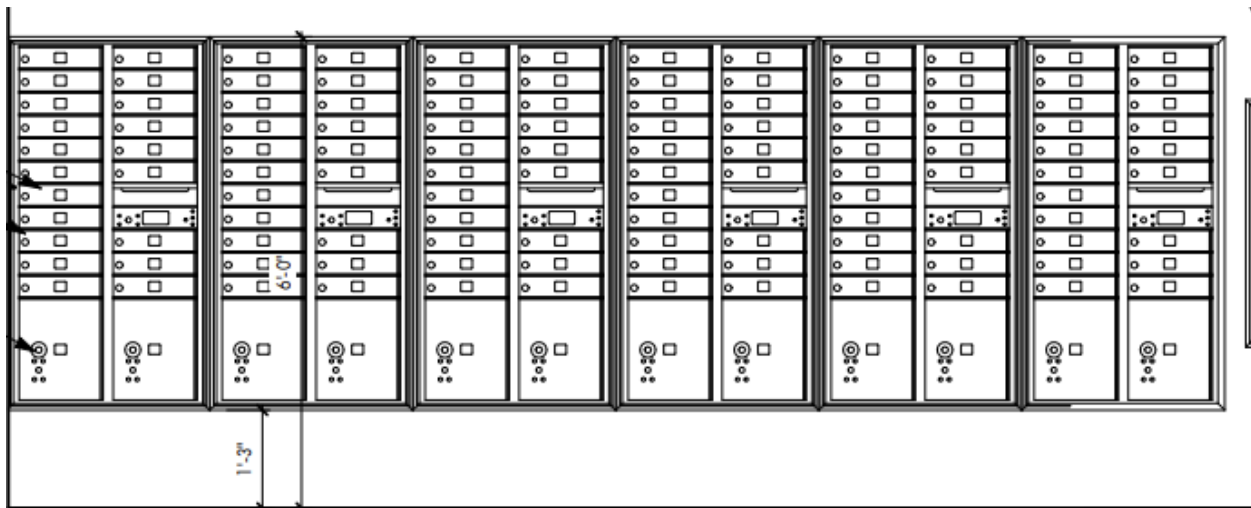
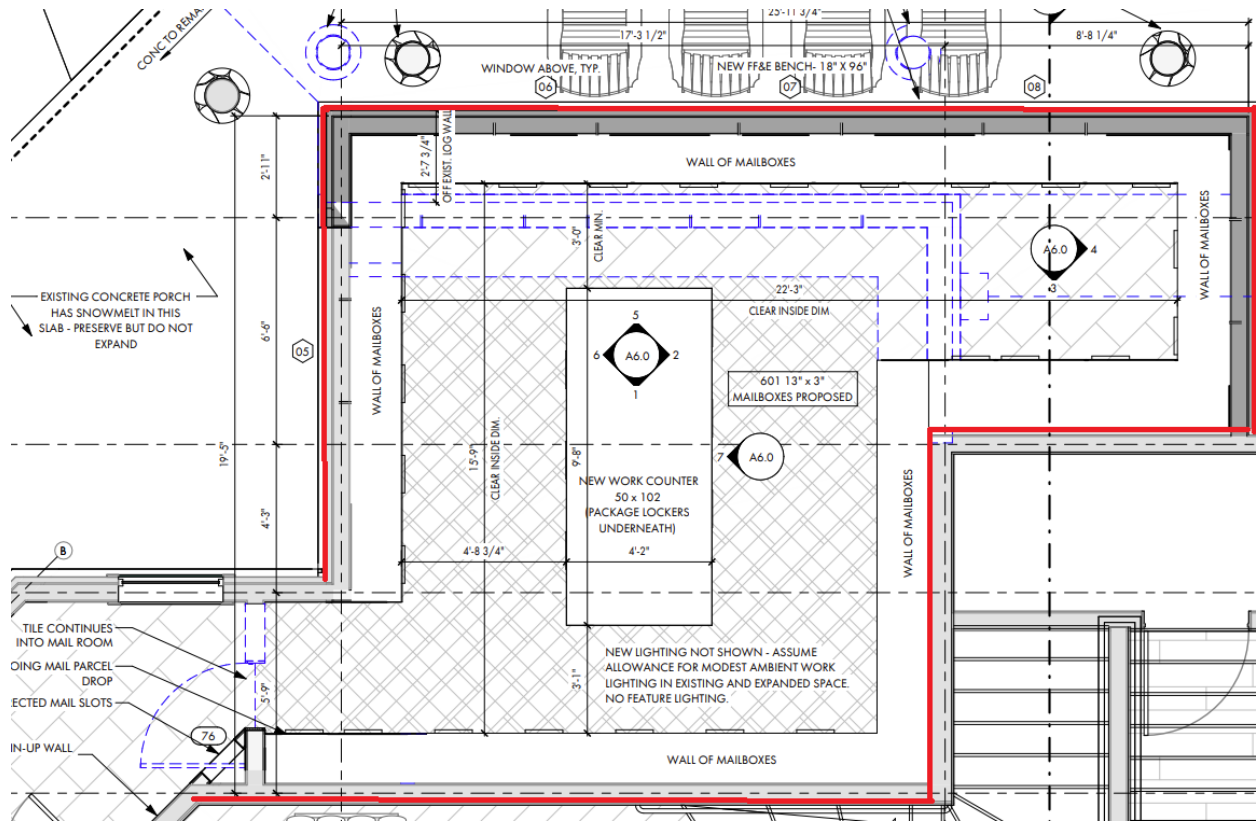
VIEW AT EAST SIDE ADDITION

In terms of the locker room renovation, that scope is still evolving but we do hope to re-tile showers and steam rooms, upgrade all plumbing fixtures and sinks, install all new countertops, paint lockers and add programmable 4-digit locks. The bathroom stalls are also planned to be upgraded with all urinals and toilets to be replaced. Of course we will also repaint to an alternative color scheme.

As noted previously, the plan for the mailroom seems to be more stable. This area is planned to move forward with some small modifications (slightly different than the Long-Range Plan in terms of its shape and design). The photos below illustrate its shape and form, which is more in keeping with the architecture of the existing building. This design allows the expansion to retain its current shed roof form bringing the addition further to the east, creating the shape you see outlined in red below. The current internal door to the mailroom will likely be eliminated to produce additional space and a more open feel (this door is never closed, there is no operational need for it). You may notice that the window below with red dots has slightly changed. This window is in the staircase leading to the boardroom. Under the plan the window transom will remain, but the shed roof form will continue across the current window.

This design would facilitate new mailboxes that are recommended by the USPS and it would allow nearly double the number of parcel lockers (see illustration below). The existing island will also be substantially larger.





From the special assessment side of the remodel, pricing came back roughly in line with expectations, largely thanks to an aggressive contingency that was added to the plan. There is still much work to be done to refine the scope while ensuring that the project comes on budget. We are in the contractual stages, formulating a contract with the GC that includes a Guaranteed maximum price.

The details of the renovation are in flux, but it is exciting to see things coming together. Preliminary pricing did cause us to reconsider some items, but the majority of cost overruns seem to center on reserve items. As discussed, we need to obtain more information on pricing before navigating forward. That said, the items outlined in the original LRP are a priority to accomplish (see screenshot below).

Improvements not in the plan to be funded from Reserves

The site plan includes the following projects and cost estimates:

- Maint. Bldg. Rplacement: \$100,000
- Tennis Shop Refurbish: \$25,000
- Pool Decking Replacement: \$452,500
- Main & Lap Pool Resurface: \$300,000
- Spa Resurface: \$50,000
- Windows Replacement: \$150,000 (Partial)
- Roof Replacement: \$202,730

Note
Cost estimates from Association Reserves Study (May 19, 2023)

RIVER VALLEY RANCH

Previous Report from 11/13/2024

Given that our last board meeting occurred in late October, there are no significant updates. We have been working to ensure that details have been considered to get the most accurate preliminary pricing from RA Nelson.

As we receive that pricing, we will be in a better position to consider a path forward as we progress through the design process. We are also continuing a due diligence process with an HVAC contractor. Conversations related to HVAC are related to reserve expenditures, as opposed to items related to the Special Assessment portion of the project.

As we receive pricing, we want an estimated idea of what an overhaul of the current heating/cooling system of the Ranch House might cost. Our boilers are original to the building. Those boilers ultimately serve to heat the Ranch House and they also have a role in heating the pool via dedicated heat exchangers. The specific projects that we want preliminary cost estimates related to these mechanicals are:

- 1) A full replacement of our cast iron boilers, replacing them with high efficiency boilers
- 2) Transitioning our HVAC system to a variable air volume (VAV) system.
 - a. Our current system uses constant velocity, meaning that air is always circulating (the vents are always blowing air). This system utilizes an ERV (energy recovery Ventilator) which reduces the workload of the air conditioning units.
 - b. While constant velocity is not as efficient as a VAV system would be, it does allow for maximum air exchange in the building, which is useful in a health club setting.

We have an appointment set to have the current boilers inspected. Our HVAC maintenance purveyor will be physically inspecting the inside of the boilers. We hope that this will give us the most accurate indication of remaining useful life.

Boiler upgrades and VAV would have ROI, but they are some of the most expensive items addressed on our reserve study. While they are due for replacement, with funding via our reserve study, there could be enormous cost savings from delaying that project if the current units have a clean bill of health.

The due diligence that we are doing concerning our HVAC system is a good way to understand where we stand on the overall planning for the renovation at this time. The current schematic design sets have been crafted to ensure that we receive pricing, giving us enough information to forge a path forward.

I should also note that due diligence is also being conducted to understand the costs related to solar as we consider the roofing project at the Ranch House.

Previous Report from 10/24/2024

The update that was included in September’s Board Report appears below this update. For anyone who is not familiar with what was discussed at the September Board meeting, please refer to that report.

Since that time, a meeting was held with the GC, Architect, and RVR Design Advisory Group (DAG) to discuss early stages of Schematic Design. The conversation largely centered on specific plans for the added square footage to the east of the Great Room, along with specific ideas for a restructuring of the current bar. We also walked the locker rooms to discuss the remodel scope that might be included in the Schematic Design for subsequent pricing. This meeting was helpful to guide us toward a preliminary Schematic Design.

The timeline for design phases is included below, though it might require you to zoom in on the PDF file to read. We hope to conclude SD and have cost estimates provided by the GC by 11/15. This will give us a better understanding of overall costs for both the special assessment portion of the project as well as the portion that would be funded by existing reserves.

As has been discussed previously, from an accounting perspective, we are tracking costs for the reserve portion vs. the assessed portion of the project separately.

Concerning Engineering: Sopris Engineering has been working on a site survey and Bighorn Engineering will soon be engaged to review M&E. A meeting was also held to walk mechanicals with the vendor who maintains our boilers/HVAC, to better understand the current systems.



Previous Report from 9/25/2024

During the annual meeting I covered this topic in more detail. This document will further discuss processes that have unfolded since that time.

As noted in that meeting, we have selected RA Nelson (RAN) as a General Contractor. We ultimately decided on them after pursuing 2 other alternatives. RAN offered the best pricing structure via their RFP. They also provided references alongside comparative projects that were very similar in size and scope to our renovations at the Ranch House, inclusive of work on pools/community centers. The references provided were also outstanding. RAN had pre-existing knowledge of our project, having volunteered to assist us during the Long-Range Planning Committee's OPC (opinion of probable cost) phase with the McMahon Group. In this way, they fully understood what we were hoping to accomplish at the Ranch House.

Since that time, we have also selected an Architectural firm. After interviewing other architects, we ultimately decided to work with Land + Shelter (L+S), led by Andrea Korber. L+S is a well-known local architecture and planning firm. They have been involved with Carbondale projects such as: the Carbondale Pool/Rec Center and True Nature. As a long-time local, Andi has family in RVR and has familiarity with both our community, and our facility.

While we have made commitments to both L + S and RAN, our current obligations do not yet extend to the full scope of the renovation project. As we begin the Schematic Design (SD) process, we are working toward a full contract with both firms. As this SD phase comes to a close, we will work with RA Nelson for a preliminary pricing round. That will give us a more detailed idea of costs allocated to specific portions of the scope.

Up to this stage, our internal team has largely consisted of a working group, which is growing over time. I'd like to thank the following homeowners for providing their expertise to consult on the project. As we move through the SD phase, this group will serve a more formal role as a Design Review Team.

- Ashley Lynch (GM)
- Carl Hostetter (Co-Treasurer of the RVRMA Board)
- Marc Margulies (Boundary homeowner and retired Architect & Owners Rep)
- Rob Morey (Owners Rep, Old Town Homeowner)
- Zach Smith (RVR Custom Homes owner, Builder)
- Elizabeth Lozner (Caryatid Structural Engineering, RVR Homeowner)
- Jennifer Dicuollo (DRC Committee Member, Landscape Architect)

The timeline of the project will become clearer as we march through the planning stages, but we hope to accomplish the bulk of project from Labor Day 2025 to Memorial Day 2026. The Architectural phases of the plan leading up to the construction documents and construction administration phases will take some time to complete.

This puts us on track to accomplish the bulk of the improvements in 2025/2026. As a reminder to the community, the full plan, inclusive of financial data, remains available on the RVRMA website. You will find it on the top of the homepage. In that PDF, you will find a detailed accounting of expenditures, projecting those to happen in 2025/2026.

As we move deeper into the planning stages, more comprehensive cost estimates will be forthcoming.

It should be noted that the top priorities for this project remain to be:

- 1) To come in on, or below, budget.
- 2) To minimize disruption to the Ranch House as much as possible, focusing on timeframes outside of the peak summer season.
 - a. It is our goal to keep the facility open to the public to allow use of the building at all times.

Ashley Lynch

GM RVRMA

2025 Projected Dues (RVRMA)



	2022	2023	2024	2025	Increase	
					\$	%
Monthly Operating Dues	\$298	\$324	\$338	\$345	\$7	2.1%
Monthly Reserve Dues	\$60	\$70	\$80	\$85	\$5	6.3%
Total Dues	\$358	\$394	\$418	\$430	\$12	2.9%

Our goal for 2025 is to minimize the increase in operating dues and keep it below the Consumer Price Index (CPI). CPI increased by 2.5% over the last 12 months. The proposed \$7 increase to operational dues represents a 2.1% increase, so we were able to achieve our goal through a careful vetting of our expenditures.

The Board felt that a \$5 increase to the reserve portion of dues was warranted to ensure that we are properly funded into the future.

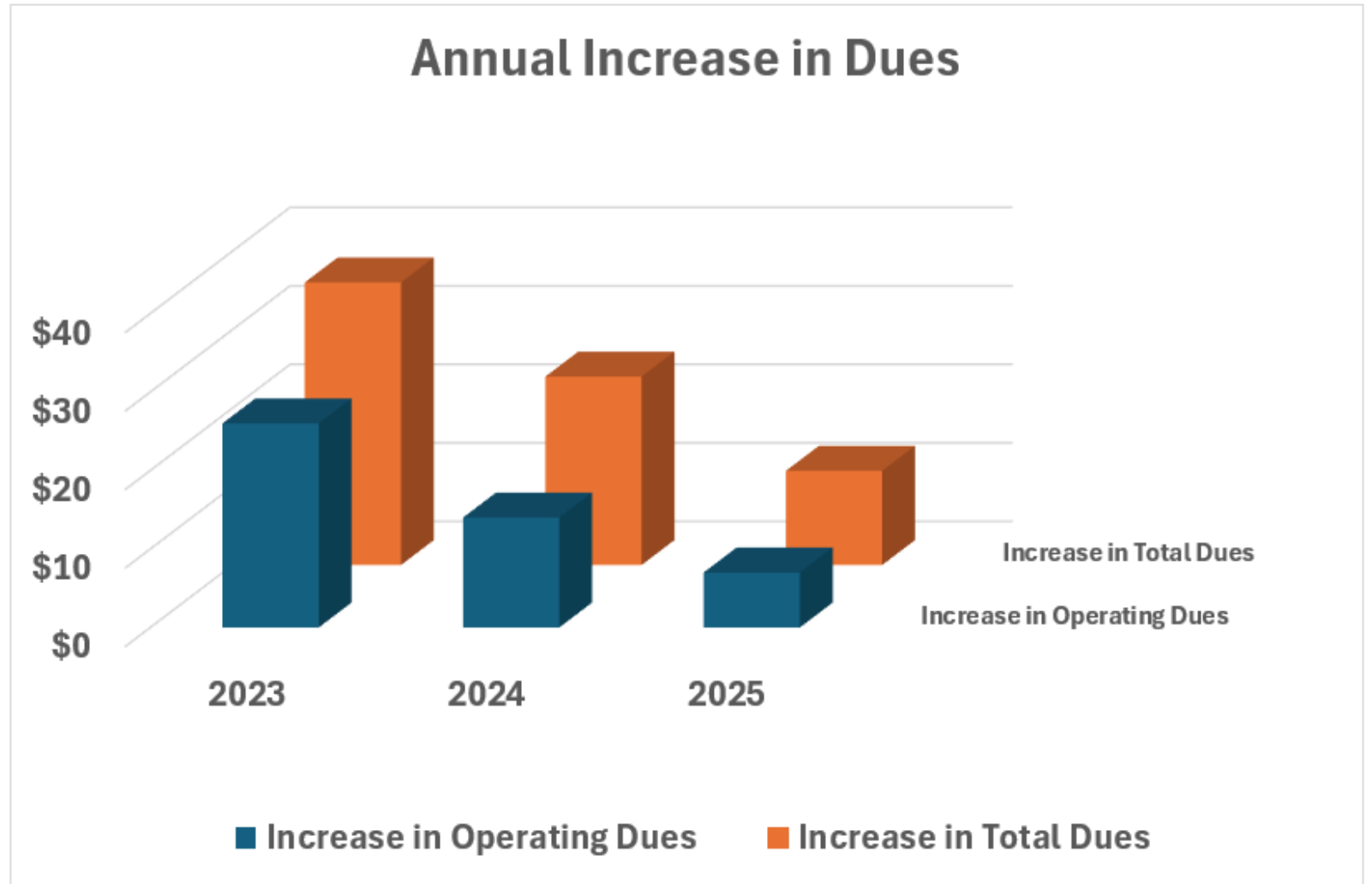
There will be no increase to irrigation assessments in 2025.

These combined totals result in a cumulative 2.9% increase largely driven by the \$5 reserve increase year-over-year.

RVRMA Dues Over Time



Year	Operating		Total	
	Dues	Increase	Dues	Increase
2023	\$324	\$26	\$394	\$36
2024	\$338	\$14	\$418	\$24
2025	\$345	\$7	\$430	\$12



The above charts show the increase in operating and total dues over the last 3 years. Both have decreased by almost 50% year-over-year.

2024 Projected Year-End



We anticipate ending the year with a \$25K surplus.

Our 2024 year-end forecast predicts around a \$50K surplus in income as we have been reporting throughout the year. Close to \$33K of this surplus will come from Design Review Committee income.

Total expenses are anticipated to end the year within 1% of our budgeted target.

2025 Proposed Budget



	2024 BUDGET	2024 FORECAST	2025 BUDGET
INCOME			
Assessments (Operating)	\$ 2,247,300	\$ 2,247,114	\$ 2,294,100
Assessments (Irrigation)	\$ 123,000	\$ 131,477	\$ 135,000
Memberships & Recreation	83,000	88,970	82,500
Swim & Fitness	20,300	21,358	27,100
Tennis Programming	197,000	199,259	207,000
Food & Beverage	51,200	51,780	51,000
DRC Fees	76,000	109,157	115,000
Other Income	40,600	40,905	40,500
TOTAL INCOME	\$ 2,838,400	\$ 2,890,020	\$ 2,952,200
COGS			
Swim & Fitness	69,700	72,123	71,500
Tennis	162,750	163,735	170,200
Concessions & Other	46,300	48,406	48,500
TOTAL COGS	\$ 278,750	\$ 284,264	\$ 290,200
GROSS INCOME	\$ 2,559,650	\$ 2,605,756	\$ 2,662,000
EXPENSES			
Personnel & Wages	1,536,935	1,530,379	1,603,400
Grounds & Irrigation	488,565	505,930	498,800
Ranch House Expenses	141,550	150,062	153,300
Utilities	144,700	136,011	138,100
G&A	131,700	131,223	137,700
DRC Expenses	34,000	43,606	46,000
Community Expenses	82,200	83,892	84,700
TOTAL EXPENSES	\$ 2,559,650	\$ 2,581,103	\$ 2,662,000
NET INCOME (LOSS)	\$ -	\$ 24,653	\$ -

RVRMA Reserve



We estimate ending 2024 with a little over \$3M in Reserves. In addition to this, we have \$3,047,000 in special assessment collections that will be received between now and August 2025, as was voted on by the community. Of course, this special assessment money will be spent down as we execute the Ranch House Renovation Plan.

We will also be spending money out of the reserves, as was noted in the plan put forward by the Long-Range Planning Committee. You can find details on the full renovation plan by clicking [here](#). Correspondingly, you will find recent updates on the execution of the plan by clicking [here](#). These documents are located on the home page of the RVRMA website.

The 2024 Reserve study shows us as 56.3% funded. For anyone interested in a detailed look at that reserve study it can be found [here](#).

Upon completion of the renovation, we will have another reserve study conducted.

2025 Dues By Neighborhood



RVRMA HOA Dues

Operating Assessment	345
Reserve Assessment	85
	<hr/>
	\$430

RVRMA - Custom Homes

HOA Dues	430
Irrigation Assessment ^[1]	31
	<hr/>
	\$461

RVRMA (Block "B"/Sopris View)

HOA Dues	430
Irrigation Assessment ^[1]	20
	<hr/>
	\$450

THE SETTLEMENT

HOA Dues RVRMA	430
The Settlement (Additional Services) Painting, Mowing, Snow Removal	158
The Settlement Painting Reserves	116
Irrigation Assessment ^[1]	20
	<hr/>
	\$724

OLD TOWN

HOA Dues RVRMA	430
Old Town (Additional Services) Painting, Mowing, Snow Removal	73
Painting Reserve	99
Irrigation Assessment ^[1]	9
	<hr/>
	\$611

CRYSTAL BLUFFS, THE BOUNDARY, THE FAIRWAYS

HOA Dues RVRMA ^[2]	\$430
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NOTES:

[1] Irrigation not charged to unirrigated vacant lots.

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

2025 Projected Dues (Old Town)



OLD TOWN DUES

HOA Dues RVRMA
Old Town (Added Services)
Painting Reserve
Irrigation Reimbursement Assessment
TOTAL OLD TOWN DUES

	2023	2024	2024	2025	Increase	
HOA Dues RVRMA	\$394	\$426	\$418	\$430	\$12	2.9%
Old Town (Added Services)	\$67	\$71	\$71	\$73	\$2	2.8%
Painting Reserve	\$90	\$97	\$97	\$99	\$2	2.1%
Irrigation Reimbursement Assessment	\$9	\$9	\$9	\$9	\$0	0.0%
TOTAL OLD TOWN DUES	\$560	\$603	\$595	\$611	\$16	2.7%

Old Town dues in 2025 show an **increase of \$2 in operating + \$2 in reserves totaling a \$4 increase overall**. This stands in contrast to last year's increase of \$4 in operating + \$7 in reserves totaling a \$11 increase overall. Please refer to the next slide to gain an understanding of this dynamic.

The 2.4% increases reflect inflationary price increases from our vendors which are in line with the Consumer Price Index.

We are projecting to end 2024 virtually flat to the budget.

Irrigation assessments will not be increasing in 2025.

Reserve Balances Over Time



NUMBER OF LOTS
Monthly Reserve Dues per Lot
Reserve Beginning Balance
 Operating Surplus from previous year
 Reserve Common Assessments
 Reserve Expenses-Painting
Reserve Estimated Ending Balance

2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Budget
65	65	65	65	65	65
80	80	85	90	97	99
31,651	54,796	45,106	33,978	49,642	32,204
7,999	(848)	(2,959)	(286)	164	156
62,320	62,400	66,300	70,110	75,660	77,220
(47,174)	(71,242)	(74,469)	(54,160)	(93,262)	(104,751)
54,796	45,106	33,978	49,642	32,204	4,830

We are ending 2024 with a healthy reserve balance of around \$32,204. With current reserve increases of \$2 per month, we anticipate ending 2025 with \$4,830 which is a healthy position.

2024 saw larger reserve increases because 2024 and 2025 are big painting years for Old Town– the cost of paint also increased. In 2026 there will be zero homes to paint (it is a scheduled year off). For this reason, we are letting the reserves run lower to end 2025. That balance will then rebound in 2026. Throughout 2026, reserves will be collected with no corresponding expenditure. This will allow us to end that year with a high balance anticipated to be over \$80,000, starting the 10-year cycle over again (every 10 years we experience one year with no homes to paint).

Operating Budget



Old Town 2025 Operating Budget

NUMBER OF HOMES

Income

Common Assessments-Operating

Total Income

Expenses

Lawn Maintenance

Snow Removal

Irrigation System R & M

Total Expenses

Net Income

	2023 Actual	2024 Budget	2024 Forecast	2025 Budget
NUMBER OF HOMES	65	65	65	65
Income				
Common Assessments-Operating	52,193	55,380	55,380	56,940
Total Income	52,193	55,380	55,380	56,940
Expenses				
Lawn Maintenance	27,456	29,000	28,441	29,900
Snow Removal	13,464	13,900	13,783	14,300
Irrigation System R & M	11,109	12,480	13,000	12,740
Total Expenses	52,029	55,380	55,224	56,940
Net Income	164	0	156	0

OLD TOWN DUES

HOA Dues RVRMA

Old Town (Added Services)

Painting Reserve

Irrigation Reimbursement Assessment

TOTAL OLD TOWN DUES

	2023	2024	2024	2025
HOA Dues RVRMA	\$394	\$426	\$418	\$430
Old Town (Added Services)	\$67	\$71	\$71	\$73
Painting Reserve	\$90	\$97	\$97	\$99
Irrigation Reimbursement Assessment	\$9	\$9	\$9	\$9
TOTAL OLD TOWN DUES	\$560	\$603	\$595	\$611

2025 Projected Dues (Settlement)



SETTLEMENT DUES

HOA Dues RVRMA
Settlement (Added Services)
Painting Reserve
Irrigation Reimbursement Assessment
TOTAL SETTELMENT DUES

2023	2024	2025	Increase	
\$394	\$418	\$430	\$12	2.9%
\$147	\$153	\$158	\$5	3.3%
\$111	\$114	\$116	\$2	1.8%
\$19	\$20	\$20	\$0	0.0%
\$671	\$705	\$724	\$19	2.7%

The Settlement operating dues for 2025 are projected to increase by \$5. This increase is required to keep pace with inflationary increases related to snow plowing, irrigation parts/supplies and lawn care. Our 2024 forecast also indicates an operational shortfall of around \$3K largely attributed to Irrigation Repair and Maintenance. As we budgeted for 2025, we were careful to provide enough budgeted money for that area to prevent a shortfall in 2025.

Reserve dues also show a modest \$2 increase for 2025, please refer to the next page for more detail on that subject.

Note: there are no increases in irrigation assessments in 2025.

Reserve Balances Over Time (Settlement)



The Settlement 2025 Reserve Budget

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Budget
NUMBER OF LOTS	56	56	56	56	56	56
Monthly Reserve Dues per Lot	\$95	\$95	\$101	\$111	\$114	\$116
Reserve Beginning Balance	48,657	55,205	46,406	20,063	11,700	72,056
Operating Surplus from previous year	10,446	(8,036)	(13,567)	(8,955)	(899)	(3,789)
Reserve Common Assessments	63,840	63,840	67,872	74,592	76,608	77,952
Reserve Expenses-Painting	(67,738)	(64,603)	(80,648)	(74,001)	(15,360)	(86,767)
Reserve Estimated Ending Balance	55,205	46,406	20,063	11,700	72,056	59,452

We anticipate ending 2024 with a reserve balance of \$72,056. We only painted 2 homes in 2024. This allowed the reserve balance to grow over the course of the year.

Adding \$2 per month to the 2025 Settlement reserve dues will allow us to end the year with a healthy balance of \$59,452.

Every 6 years, we experience one year with zero homes on the painting schedule. Starting that cycle with just over \$72K should keep the reserve fund in a good position. We expect modest increases each year to keep up with inflation.

2025 budget (Settlement)



The Settlement 2025 Operating Budget

NUMBER OF HOMES

Income

Common Assessments-Operating

Total Income

Expenses

Lawn Maintenance

Snow Removal

Irrigation System R & M

Total Expenses

Net Income

	2023 Actual	2024 Budget	2024 Forecast	2025 Budget
NUMBER OF HOMES	56	56	56	56
Income				
Common Assessments-Operating	98,784	102,816	102,816	106,176
Total Income	98,784	102,816	102,816	106,176
Expenses				
Lawn Maintenance	49,628	51,000	51,438	52,530
Snow Removal	29,689	31,400	31,167	32,100
Irrigation System R & M	20,336	20,416	24,000	21,546
Total Expenses	99,653	102,816	106,605	106,176
Net Income	(869)	0	(3,789)	0

SETTLEMENT DUES

HOA Dues RVRMA

Settlement (Added Services)

Painting Reserve

Irrigation Reimbursement Assessment

TOTAL SETTLEMENT DUES

	2023	2024	2025
HOA Dues RVRMA	\$394	\$418	\$430
Settlement (Added Services)	\$147	\$153	\$158
Painting Reserve	\$111	\$114	\$116
Irrigation Reimbursement Assessment	\$19	\$20	\$20
TOTAL SETTLEMENT DUES	\$671	\$705	\$724

Note: there are no increases in irrigation assessments for 2025