

**Star Valley Ranch Association
Board of Directors
Meeting Minutes
June 21, 2008**

**Present: Joe Angelovic, Chairman
Larry Watt, Vice Chairman
Carl Brown, Secretary-Treasurer (present by phone)
Kathy Dietz, Director
Jan Jonson, Director
Jack Petty, Director (Present by phone)
David Ward, director**

The Board meeting was called to order at 9:00 am.

Adoption of Agenda:

Director Dietz Moved to amend the agenda and delete the tennis courts from New Business.

Chairman Angelovic moved to move the Revised Operational Budget from New Business to Finance Committee Report.

Chairman Angelovic moved to move the Election Committee Report from New Business to h. under Standing and Other Committee Reports.

Director Jonson moved to add Transfer Fee under New Business.

Vice Chairman Watt moved to add Green Canyon Water System under Old Business.

The motion was made to accept the agenda as amended. The motion was seconded. The motion carries unanimously.

Approval of Minutes:

Director Ward moved to approve the minutes from the May, 17, 2008 meeting.

Vice Chairman Watt seconded the motion.

The motion passed unanimously.

Standing & Other Committee Reports:

Chairman's Report: The following report was given by Chairman Angelovic.

Next Saturday is the Annual Meeting and there will be the election of three board members. The big item has been the departure of Bruce

Bates, our General Manager. He had made a lot of good moves, set up positive programs here on the ranch. He has now departed and there will be a new search for a General Manager. We have a list of candidates from the last search; some of them may still be interested in the position. The Board felt that it would only seem proper to let the newly elected Board select the new General Manager. In the interim if there are any real problems or questions I will be available.

As of Tuesday the Association now owns the liquor license for the Star Bar. We bought out the remaining lease for the bar.

Legal and Finance: The following report was given by Chairman Angelovic.

There are two law suits the first suit is the Wickell verses Star Valley Ranch Association. This suit came about because the Association cut down a tree while trying to prevent damage to the Prater Canyon water storage tank. The tree belonged to Mr. Wickell. Although the tree was in the easement, the Association did not ask his permission and therefore was liable. Rather than go to court and pay court and attorney fees, the Associations attorney recommends to settle with for Mr. Wickell \$3,000.00

The Coalition has filed a writ of Mandamus against the Association over the Election. We the Association have responded asking the Court to deny the writ.

There have been a lot of changes around here and because of that the Operation Budget has fluctuated. Mr. Root has done a lot of work on the budget and we now have a revised Operational Budget.

Mr. Root Gave the Following report.

We had a budget and this was turned in by the end of October. Since that time we all have to realize there have been a lot of changes. Because of these major changes Bruce and I were working together to revise the budget. Rather than read the whole budget I will just go over the changes.

We have moved money all over the place and we have stayed well within the debit side of the budget. The first one is the Annual Assessments are \$50,000.00 short of being totally complete.

For golf we budgeted \$125,000.00 in income. I had a long talk with Randy, and he feels that we may not see that. In the Lounge we budgeted

\$85,000.00 and talking to Laurie about budget we also budgeted \$85,000.00 on package goods. Those incomes should be exceeded. In the lounge the start up cost was large; \$13,000.00, some of those funds came from this year's budget and some were from last year.

Point of Sale got charged to the bar for some reason and it needs to come out of Administration so they have to pay \$8,000.00 to the bar for the Point of Sale.

Daily Green Fees: We budgeted \$11,000.00 less than we took in last year. The reason being we had an excellent year. Hopefully we make that this year but right now we only taken in \$9,000.00.

The single member package for the first time in a long time we have taken in \$82,750.00 so we are right on the money with that. With the 4th of July weekend we may sell a few more but usually after July 1st we sell very few single member packages.

Swimming income is budgeted at \$17,000.00. Most of you know the pool just opened up the last week or so the money taken in is roughly \$1,800.00 so hopefully that will improve.

The biggest income for the ranch is \$125,000.00 from water, the town has that already so we don't have to worry about that they have the money to pay us.

Administration didn't make any change. We did add \$40,000.00 into Administrative salaries because they do need another person in the office.

We only questioned \$1,500.00 in maintenance, they spent \$13,000.00. But I think Facilities with Ernie sticking to his budget looks good.

Golf Payroll is \$72,000.00, we budgeted \$10,000.00 for golf advertising, \$90,000.00 cost of goods for start up in the pro shop, and we had several hundred thousand dollars in reserve funds that carried over from 2007. Some of those funds were used in the start of the golf course. The \$6,000.00 requested to purchase the goods that were left by Mr. Buehler has not been decided on by the Board. The Point of Sale amount that was charged to the pro shop was \$5,900.00, which should have been charged to Administration. The tee boxes are \$8,000.00.

We budgeted \$15,000.00 for grates and we have already spent \$21,000.00 and I talked to Larry about it and that budget has to be raised.

Utilities budget is \$26,500.00 and the ladies tee boxed are \$2,930.00.

The biggest expense is \$16,950.00 to buy out Vons three year lease and liquor license. What's not in the budget is what you have to pay to purchase his merchandise.

Those are all of the major items that were changed. You have a margin of \$291,000.00, the original budget we had a margin of \$320,000.00 so it's down roughly \$30,000.00.

Vice Chairman Watt made a motion to approve the revised budget. Director Ward seconded the motion. The motion was passed. Jack Petty voted no.

Golf Committee: Director Dietz gave the following report.

The figures are down in the revenues because of the late start of the season due to weather. People are electing to pay per round instead of buying the season pass. However the revenue per round after the season pass has been \$10.00. The merchandise sale per round in the pro shop is \$6.93, which is for May. We are keeping track of this a little differently this year so it's hard to make comparisons. This year we changed things a little and are discounting the season passes \$12,000.00 and that includes merchandise, it may even be a low as \$9,000.00. Last year including merchandise our revenues were \$26,000.00 for the month of May so that gives you some idea as to the hit we have taken because of the weather.

We have some new policies this year, like the dress code, individual liquor is not being allowed on the course but is available to purchase from the package store as well as drink carts out on the course. One of the new things we have is called benefits of membership; those people do get discounts on merchandise in the pro shops.

We are looking at some safety issues; one of the things that we need to examine is the safety and use of the Silo.

Greens Committee: Vice Chairman Watt gave the following report.

The greens committee on Friday had a contractor come out to give a bid on the Ladies Tee Boxes. He is going to alter and shape them and then

Mark and his crew is going to lay the sod. The bid for that is around \$11,000.00 plus the sod, so we have come in well under budget for that project. The tee boxes should be shaped by the end of next week. The following week the sod should be done and ready to be played on later in the season.

There are three interns from Equator working with Mark; it is part of a government program. They live in a house in Thayne that the Association pays the rent. The Association holds money from their check as reimbursement for that rent. It's a good program, although they still need some training so be patient with us as that program comes together. I understand that there are also two interns that are coming to us from Egypt.

We have had some problems with irrigation on Aspen Hills, there was a line that was broke, that has been repaired. There was a PRB valve that was not operating correctly and so the people who sold the valves to the contractor are out of Salt Lake. They are going to be here Tuesday to repair or replace that valve. After the repair we can get back to the regular irrigation schedule.

House and Entertainment:

No report

Long Range Planning committee: Committee Chairman Daulton gave the following report.

We had our first meeting June 12, and our next meeting is set for June 26, so we haven't had an opportunity to review our minutes which are going to be very constructive to the 11 Action Acts that were approved by the Board last fall. We had some very interesting things come out of the action plans, some very nice successes. We have also had some things here that are suggestions for the future, because the action plans are an organized way of bringing forth peoples ideas.

Our goal this year will be to work with the Finance Committee, we hope the financial component of the Long Range Plan be part of the revisions. I met with Bruce; we had a very good discussion about using a business model plan, keeping a time line, sequencing, and a very detailed plan. We will keep working on that with the new General Manager.

The other thing we are going to do is to develop a suggestion procedure for all of this to happen, keep everything organized and make sure that all of the Members have an opportunity to make suggestions.

The last thing is I was working with a 2007 budget. I was able to get that budget downloaded and it was clear and concise. But one thing that did confuse me was the restricted funds. Those had some rules in there that we knew needed changing.

Utilities: Director Ward gave the following report.

The first thing I want to talk about is the ongoing confusion with the culinary water. I will try to clear it up, it was well documented at several meeting that I had been to. When the Association turned the culinary water system over to the town those facilities that were included were Prater Canyon spring, Airport level #1 and the distribution system for culinary water. Green Canyon irrigation and culinary system remains with the Association. That system is some what of a mystery to everybody I talked to about how it is formed and what goes where. We have Advanced Engineering from Jackson and a man named Steve Wennicott who has spent a lot of time in Green Canyon looking at that system. We had a meeting with them June 5th to discuss his proposal. He has given us a comprehensive, detailed, to scale map to that system, which is something we really need and never had before. We are going to be working toward that and within the budgeted items. I also want to mention another item of contention is that 50% or better is the amount of culinary water that comes out of that system and that is a conservative number. Without it we are out of water. If that's going to be the case then your guess is as good as mine as to how many years until we have a water supply distribution available from new sources. That's the way it was set up, there are reasons for it, and there was a possibility of grants revoked if it was not set up that way. We need to address the culinary water as well as the irrigation system so the engineering company is set up to give us a hand to accomplish all those goals. It would be my vote if we attack this in a phase process, in a logical and affordable way to bring this system up to a condition that we can have ample water supply out of Green Canyon, not only for the interim for when the Town gets their system up and running, but also a fall back to support that system in the future. This is a number one priority that we have to tackle in the Long Range Planning and as far as I am concerned this is at the top of the list.

Last year I was asked to develop a Memorial Policy for the ranch, so I wrote one up and now it has resurfaced. Gary Braun is putting together committee to evaluate and develop a Memorial Policy.

Architectural Committee: Committee Chairman Beck gave the following report.

If you weren't here last month we had a total of 6 starts. This month we have had 2 additional, so that bring the total to 8 to date. That brings the grand total to 940 homes either completed or under construction.

Election committee: Committee member Vern Madsen gave the following report.

We had a significant increase in the number of properties who did not pay their assessment by June 15th. We have a reduction in the required quorum. We need 543 proxies for a quorum, and as of last night we have 508, logged into the computer, so we are essentially assured a quorum for when we open the voting on Election Day. We would like to add an additional member to our Election committee Mr. Bob Gwyn has volunteered to assist the committee. Mr. Redlin has requested that the board approve the addition. The Election orientation meeting is at 3:00 Monday. All committee members have been notified in writing. It will be held in the Library. The Candidate Proxy orientation is on Wednesday Morning, all of the candidates have been notified in writing and given a time when they can present their proxies. Candidates' night is Friday if it goes according to past meetings there will be an opportunity to have the audience to ask questions that will be written down and collected before hand.

Vern Madsen made a motion to add Mr. Bob Gwyn to the Election Committee. Chairman Angelovic seconded the motion. Motion carries unanimously.

Fisc III Report: Director Jonson gave the following report.

880 consent forms have been received. We need 470 more.

New Business:

DCC&R Revision Committee: Chairman Angelovic gave the following report.

We have discussed this committee and meeting after meeting we have asked for volunteers we have explained its purpose, but the Board has yet to officially approve it. Members of the committee are Joe Angelovic; Kathy Daulton is Co-Chair, Larry Olsen, Gene Root, Carolyn Thacker, and George Toolson. We are meeting at 7:00 at night to allow any of those younger working individuals to attend. It's also designed to solicit input from as many people as possible. The committee will meet twice a month, and will need lots of help so there will be plenty of work for those that want to participate.

The Committee purpose statement first draft reads as follows:
The purpose of the DCC&R revision committee is to develop a plan for determining what changes in the DCC&R's can receive 70% of the member's approval by January 1, 2012. To develop a system for approval, creating the document, distribute it prior to July 1, 2011, recording the results and reporting to the Board and the membership.

Chairman Angelovic made a motion to create the DCC&R committee and approve the members. Director Jonson Seconded the motion. Motion carries unanimously.

Gaudy Maude 2009: Director Jonson presented the following information.

House and Entertainment wants to put on a Gaudy Maude Celebration. What they are hoping for is that it will eventually become like Mountain Days in Alpine or Western Festival Days that a lot of towns have. There will be hot air balloon races, booths set up, and flea market. It is going to need a tremendous amount of volunteers and they are meeting Monday, if they don't get enough volunteers there not going to be able to do it. They do have the support of the Board. There will be more information coming down the road. The Basque Dinner was one of the first fund raisers for it. They will have to submit a detailed temporary plan for this project and that plan will be through the House and Entertainment Committee. We do not need a motion on this we do however support this event. I know the town is going to support this and they will be going out into the communities to businesses for sponsorship. It won't be costing the Association money.

Jeanne Lander's Memorial: Director Dietz presented the following information.

We do not have a Memorial policy and it has been requested, for the Jeanne Lander's Memorial money that was collected last year. A tree has been collected in her memory. There is some money left over and they would like to put a bench on the tee box on # 6. The bench will be made by Mr. Warren Compton, and will match with those at Cedar Creek.

Director Dietz made a motion to approve the placement of the memorial bench, on the back of it they will be placing a small plaque on the back that says in memoriam. The motion was seconded by Director Ward. The motion carries unanimously.

Intern Committee: Director Dietz presented the following information.

We have three interns from Equator, and are expecting two from Egypt. I was looking over the paperwork on this deal with the government; they usually have some type of committee that; to varying degrees, takes over welcoming these students. I am going to suggest that perhaps that we should have some sort of committee to do some things for these young men to make them feel more welcome. This might appeal to some volunteers who are interested in helping them feel at home.

Certificate of Occupancy for Rand & Beverly Olsen: The following information was presented by Elmer Beck.

For some reason Mr. Olson failed to get a number of inspections completed, so we were unable to grant a Certificate of Occupancy. He has gone through a lot of details and had a lot of inspections done at his own expense, and he finally got our local inspector to sign off a completion that the house is now ready for occupancy and is usable. I would like to recommend to the board that they issue a Certificate of Occupancy, and return their construction deposit and bill them for missing two inspections.

Director Ward made a motion to issue a Certificate of Occupancy to Mr. Rand with the stipulation that we withhold \$350.00 for those inspections that he missed from his deposit. Vice Chairman Watt seconded the motion. The motion carries with Secretary-Treasurer Brown opposed.

Transfer Fees: Director Ward presented the following information.

This has been a long ongoing discussion amongst the Board Members. We have finally come to a conclusion, along with the previous General Manager and the Finance Committee was in favor of the change in the fee. They felt that the fee was exurbanite and needed to change to an amount to cover the paper work.

Director Ward made a motion to reduce the Transfer fee from \$350.00 to \$25.00. Director Petty seconded the motion. Motion carried unanimously.

Green Canyon; Director Ward presented the following information.

We did get a report back from the Engineering Company. He can begin work on this in 30 days. He is going to come up to green canyon and GPS the whole system and give us a detailed map. We have two options, the schematic map would be \$2,600.00, and the more detailed mapping will cost \$4,700.00. I would be in favor of option number two which gives us a more detailed map and it's to scale so we have a good mapping of the system for the future.

Director Ward made a motion to authorize the Chairman of the Board to sign this client authorization for an expenditure of \$4,700.00 to have this system properly mapped. Vice Chairman Watt seconded the motion. The motion carries unanimously.

Vice Chairman Watt moved to adjourn the meeting. Director Ward seconded the motion. The motion passed unanimously.

The meeting adjourned at 10:30

Joe Angelovic, Chairman

Larry Watt, Vice-Chairman

Carl Brown, Secretary-Treasurer

Kathy Dietz, Director

Jan Jonson, Director

Jack Petty, Director

Dave Ward, Director

