

Star Valley Ranch Association
Board of Directors Meeting
October 18, 2018
7:00 p.m.
SVRA Cookshack

Ron Denney: Chairman – Present
Mike Blackman: Vice Chairman – Present
Donna Thompson: Treasurer – Present
Fran Moore: Secretary – Via Teleconference
George Toolson: Director – Present
Marsha Combe: Director – Present
Taylor Ellis: Director – Present

Call to order: Chairman Ron Denney called the meeting to order at 7:00pm and called for the Pledge of Allegiance.

Chairman Denney recognized special guests, Mayor Kathy Buyers and Town Council candidate Don Baillie.

Adopt Agenda:*

- Director Toolson made a motion to adopt the meeting agenda.
Director Ellis seconded the motion.
Motion passes unanimously.

Approval of Minutes for September 2018 Board Meeting.*

- Vice Chairman Blackman made a motion to approve the September 2018 Board of Directors Meeting Minutes as written.
Director Toolson seconded the motion.
Motion passed unanimously.

Standing Committee & Special Reports:

Chairman's Report: Chairman Denney gave the following report:

Regarding the status of the new building, we have continued pouring concrete. We have decided we want to finish the concrete walls, floor and the piers so that we can backfill before the snow comes. We will also get some of the utilities in, especially the septic tank which is between the number nine green and the putting green so that is done before next April. It is important that the barn have septic in the spring time. After we received the Summons we provided a response on September 12th, the Plaintiff provided their response on October 2nd. We are now in the discovery stage. That is the status of the lawsuit. We have chosen not to move full speed ahead, but to get enough of the concrete done so that we don't lose what we have done so far due to snow and erosion. I have attended two of the Town's Workshops which is a good way to improve communication between us and the Town. They have been very accommodating and we have learned very much. Yesterday the Town released the contract that they agreed on to purchase their new office building. Kathy Buyers states that she has signed the contract.

Finance & Legal Committee Report: Vice Chairman Blackman gave the following report:

The Finance and Legal Committee met on October 15, 2018. The CPI escalator for the Annual Assessment was determined to be 2.9495% from the US Bureau of Labor Statistics Report for all Urban Consumers (CPI-U) for the month of July 2018. This escalator is defined by the DCC&R's and the By Laws of the Association. This escalation will result in a 2019 Assessment of \$377.62.

Prior to this meeting the proposed 2019 budget was reviewed by line item by each of the members. The questions the committee members had were reviewed with the Manager. Explanations for each item were considered and approved. The proposed budget was determined to be within the calculated Assessment for 2019.

In addition, the Finance and Legal Committee also reviewed policy 3.4.2, Transfer Fees for Changes of Lot Ownership and policy 2.5, Board of Director's Confidentiality Statement and recommended forwarding them to the Board of Directors for approval.

The following are proposed motions on the agenda;

Pelletier/Munson Variance to Ownership Transfer Fees

- I move that the variance request By Vickie Munson and Lenny Pelletier, Lot 58 Plat 18, to Policy 3.4.2, Transfer Fees for Changes of Lot Ownership for estate planning purposes be approved. Director Toolson seconded the motion. Motion was unanimous.

Policy 3.4.2 Transfer Fees for Changes of Lot Ownership

- I move that the proposed changes to Policy 3.4.2, Transfer Fees for Changes of Lot Ownership be approved as written. Director Ellis seconded the motion. Motion passed unanimously.

Policy 2.5 Board of Director's Confidentiality Statement

- I move that Policy 2.5, Board of Director's Confidentiality Statement, be approved as written. Director Combe seconded the motion. Motion passed unanimously.

Golf & Greens Committee Report: Director Toolson gave the following report:

Well Gang, the season is coming to a close with the thermometer headed south of 60 degrees next Wednesday. Go out and get your final rounds in soon.

Through October 15th "Rounds to Date" are at 16,905 compared to 15,233 last year, a difference of 1,672 more rounds this season. Total golf income minus golf expenses show us in the profit status of

\$3,026.07 this year. Last year at this time we were in the “Red” column for income/expenses by \$26,216.34. That is a difference of \$29,242.41 in one season.

Green fees on Cedar Creek were up by \$13,096.00, cart income was also up by \$3,429.12. Merchandise income from the Pro Shop was also up \$7,245.98. Member fees along with gold and platinum season passes totaled 6,429 rounds. 2,670 rounds were played by non-members.

Speaking for the “Pro Shop” and “Golf Course Maintenance” crew it’s been an excellent season with many new accomplishments made here at Star Valley Ranch.

Enjoy the rest of 2018 and we’ll see you on the course in April.

House & Entertainment Committee Report: Director Combe gave the following report:

I would like to remind everyone about the Trunk or Treat and the Haunted Cart Barn on October 31st.

It will be from 7:00pm to 8:30pm and bring treats to share. It should be a lot of fun!

Tallia Booker stated that the Trunk or Treat will be in the horseshoe parking lot area starting at 7:00pm.

The Haunted Cart Barn will go from 7:00 pm to 8:30 pm. This year, we will also be providing an improved “not so scary” area for smaller kids. There will be Halloween themed stations for the kids to visit with treats, prizes, and a short Halloween movie as well.

Utilities Committee Report: Director Ellis gave the following report:

The concrete has been poured on the pickleball courts. It is my understanding that the fence will be going in soon. Bob Lujan stated that he spoke the fencing company and the fence should be installed next week. Special thanks to Jeff Earl for all of his hard work on the concrete.

Architectural Control Committee Report: Director Ellis gave the following report:

There have been two permits issued since the September Board meeting.

One is for a new home on plat 2 lot 13, 336 Aspen Way, for a new modular home.

The other is for new landscaping, a deck and a gravel driveway on plat 16 lot 89, 101 Alta Drive.

SVRA Cedar Creek Center Progress Update: Director Thompson gave the following report:

As I sit here and look out over this audience, and listen to those who volunteer their time for this Association, I am reminded of what makes our community such a unique and special place. People who care to be involved. Perhaps we don’t always agree, but one thing is for sure, we care – or we wouldn’t be here.

How many of you get the e-mails sent out by our Association office staff? How many of you get the e-mail Newsletter that is sent out by Mr. Mueller? If you’re not getting both, have you contacted either source and asked to be included so you can stay informed? Getting both e-mails helps you better understand the opinions that are out there, even if they’re not 100% fact, and gives you the advantage of knowing both opinion and fact. When you meet a neighbor or acquaintance in the store and conversations turn to Association issues, you will be able to grasp if they’re forming their opinions on

fact or someone else's opinion. Invite those who believe the simple opinion is truth to call and supply their contact information to this Association. Explain that it will allow us to communicate to them accurate information about current issues that are affecting the Ranch. You may then be able to help others get the whole and complete picture. For those who choose not to give their e-mail information to help us better communicate with you, please do not be one of those who blames us for not keeping you informed of important matters that involve you as Members.

I urge any of you who do not receive the Association e-mails to contact the office, Ami, Ryan or Tallia will be happy to add your e-mail address to our database so that you can be informed as to what is going on here on the Ranch.

We are looking at the possibilities of an Association Newsletter that would be available at the mail center for members who reside on the Ranch to pick up, with postcards being mailed to those who just own lots. The postcard would provide a link to a site where the Newsletter could be retrieved. We would like to ask our Members for their assistance in this area. Ideally, we would like to have each plat represented, a liaison if you will, for the neighbors and owners within that plat to gather ideas, news, etc. about their specific plat. These liaisons would then meet with the Director over Member communications, share their plat's input and help put the newsletter together. We would like to ask for any of you who would be interested in helping us in this area to contact either myself or our Association office staff. Give us your contact information and we will get ahold of you. This is an important issue, Member Communications, and we would really appreciate getting the membership involved in this.

Now for information on the Cedar Creek Center:

We are in the process of trying to put a new, modern facility in place for our members. Some will say it is only for the golfers, but let me give you a brief breakdown of how we see this facility benefiting every member of this Association:

In this 14,000 +/- square foot building we will have approximately 1500 square feet we will call a meeting/banquet center, where the monthly Board Meetings, our annual meetings, pot luck dinners, Christmas parties, community get-togethers and other such events can be held. This room, along with another room in the garden level, can be used by card groups, quilting groups, exercise groups and more. We would like to look at incorporating a summer program for our community children, where they could learn to make crafts, paint, and enjoy other fun activities. We will have a bar area for those who enjoy socializing over a cocktail – or a soda. It will have pool tables and dart boards for competitive players to use, perhaps even create leagues with weekly team events. A restaurant is planned, but is not planned be an SVRA run restaurant. Who remembers the days of Melina's, that great Mexican food restaurant located on the 3rd floor of the Silo? Wouldn't it be great to have someone like that want to come in and provide us with a nice sit down lunch or dinner in a lovely place with an incredible view? The views from the deck outside the restaurant and bar areas will be unmatched, providing us with another place to enjoy the sheer beauty of our community. The garden level is scheduled to have a

media room and a library for the use and enjoyment of our members. It will also be home to the SVRA offices, where our very knowledgeable and helpful staff can provide efficient service to our members; where election results can be counted, where our 4th of July celebration can be planned, where Association records can be stored, without the worry of water damage or mouse or bat encounters. And yes, there is a Pro Shop, where golfers will check in to play our amazing Cedar Creek Golf Course. There will be golf supplies and clothes for purchase, clothes that can be worn for anything, not just golf! But if you consider that this new facility is a “just for the golfers” facility, please remember all the things I’ve mentioned, and how those things will support so much more than just the golfers of this community.

Now, let’s talk about the other important details of this new facility. The numbers. Yes, it’s true that the overall cost of project is expected to be roughly \$2,275,000.00. Wow – that’s a really big number – and one that you could call scary if you don’t look at all the factors. This Association, through prudent money management, has put in to reserves for just this kind of purpose, over \$800,000.00. That’s money we don’t have to go anywhere to get, it’s already ours and we are ready to spend it wisely. We secured a loan in the amount of \$1,452,750.00, with initial monthly payments of \$9,360.00. Again, such scary numbers when you don’t consider the total scope. Let me make this a little easier for us to understand, digest and consider.

A monthly payment of \$9,360 equates to roughly \$4.65 per lot per month, or less than \$60.00 a year **from our existing annual assessment**. That less than a trip to Burger King once a month! So, for \$60.00 a year, at no extra charge to you, we can have an incredible facility to be proud of. And if you want to know the extended calculation of this facility to each lot over the 25-year term of the loan, and that’s if the worst-case scenario happens with interest rates, listen to this the cost is approximately \$1,600 per lot, **from our existing annual assessments**, over 25 years!

We do not anticipate the need to ask you for a Special Assessment of any amount to complete this project. We don’t want to cut funding for our summertime pot luck get-togethers where the Association provides the meat course, or look to scale back on the Easter Egg Hunt, Property Owners Weekend fun, the 4th of July celebration, Halloween fun, Karaoke or other Association funded events, but if our legal fees continue to increase to defend our rights as an Association to provide year-round facilities for our full-timers, summer-time users and guests, we may need to look at all the options.

We made our decision to move forward with the project because we carefully reviewed our documents and do not feel we are in violation of any of the provisions, and we received confirmation from our counsel of the same. We refer to our DCCR’s, By-Laws and Articles of Incorporation before we make decisions. That’s how a responsible Board of Directors is supposed to act, and that’s how we govern ourselves. There are members in favor and members against, there always will be, on any matter that is governed by the SVRA Board. We feel we are acting in the best overall interests of our members, and we will continue to be supportive of this project. Remember – it’s approximately \$60.00 a year from regularly collected dues that we’re talking about. How about we all see the reality, re-assess the

situation, ask questions if you have them and come along side us in the support of this great new facility. I think, in the end, you'll all be really glad you did.

General Manager's Report: General Manager Booker gave the following report:

Account Statements: All bank accounts have been reconciled for September without discrepancy.

Assessments:

2009 Lawsuit through 2016: 20 Lots unpaid (0.99%).

2017 Assessment Status: 1972 Lots (97.82%) paid in full.

2018 Assessment Status: 1920 Lots (95.24%) paid in full.

2017 Assessment Collections: The attorney initially sent out a total of 62 notices. 6 properties are currently on payment plans, 36 properties have paid in full. 20 lots remain in our active legal collection process. Those 20 properties have all received notice of default. The Board has decided to proceed with the foreclosure process on 8 severely delinquent properties.

Business Activities:

An overview of SVRA Financials finds the September Gross Profit at 2.2% better than budgeted levels and Total Expense at 95.4% of budget resulting in year-to-date Net ordinary income prior to depreciation at 119.0 % of budgeted levels. The YTD cash assets (9/30/2018 Balance Sheet) Total \$1,554,774.65. The summary of the financials are, as always, available on the SVRA website.

DCC&R Compliance: This month we have 2 active DCC&R Complaints, one complaint has just been sent the notice of violation, and both remain in the hands of the SVRA attorney and court system for further action.

Barn/Silo Redevelopment: Since last reported we have spent no money on the Barn Redevelopment and Cedar Creek Center.

Fall Hours of Operation:

Cedar Creek Pool, Duffer's and Aspen Hills is closed for the season.

Cedar Creek Hours are 8 a.m. to 6 p.m. 7 days a week.

Budget: The 2019 budget is in progress. A draft copy has been sent to the Board and Legal and Finance Committee for their review and input. The budget will be presented at the Board meeting in November for final Board approval.

Facilities: Ernie has been preparing the facilities for winter. This includes the shutting down the golf course restrooms, taking the fountain out of the #8 pond, and boarding up windows. He has also been giving the barn a fresh coat of paint.

Work continues on the Pickleball courts. Fencing has started, concrete has been poured. Fencing should be complete in the next couple weeks. Next spring we are lined up to get the surface done. The courts should be playable next year.

Golf: The end of the 2018 golf season is nearing. We will keep Cedar Creek open as long as Mother Nature allows. The weather is beautiful. Go out and get another round of golf in, the course is in great shape.

Just a reminder, all pro shop credits will be lost if not used by November 1st. Stop in the pro shop and do a little shopping, if we don't have what you want/need, Ben is always happy to make special order.

Old Business: None stated.

New Business: None stated.

For the Good of the Order:

Lee Hansen made the following statement; "Apparently it is becoming a new thing for lawyers to sue entities that have websites that do not provide access for the hearing or sight impaired. That may be something that the Association and the Town should look into in order to avoid a law suit".

Adjournment:

- Director Toolson made a motion to adjourn.
Director Combe seconded the motion.
Motion passed unanimously at 7:31 pm.

Chairman Ron Denney

Vice Chairman Mike Blackman

Treasurer Donna Thompson

Secretary Fran Moore

Director George Toolson

Director Marsha Combe

Director Taylor Ellis

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