

Star Valley Ranch Association
Board of Directors Meeting
February 15, 2013
9:00 a.m.
Town Hall

Mike Blackman: Chairman
Ron Denney: Vice Chairman-via phone
Ann Earl: Secretary/Treasurer-absent
Jere Kovach: Director-via phone
Derk Izatt: Director
George Toolson: Director-absent
Robert Lujan: Director-via phone

Call to order:

Chairman Blackman called the meeting to order at 9:03 a.m. and stated that there was a quorum and called for the Pledge of Allegiance.

Chairman Blackman recognized Mayor Siddoway and Councilman Harker from the Town of Star Valley Ranch.

1. Adopt Agenda:*

- Director Kovach made a motion to adopt agenda as written.
Director Izatt seconded the motion.
Motion passed unanimously.

2. Approval of Minutes for January 2013 Board Meeting:*

- Vice Chairman Denney made a motion to approve the January 2013 Board Meeting Minutes as written.
Director Lujan seconded the motion.
Motion passed unanimously.

3. Standing & Special Committee Reports:

A. Chairman's Report: Chairman Blackman gave the following report:

With the onset of the winter season many of our standing committees have not met and therefore will not have reports today. Those committees that will not have reports are as follows:

1. The Utilities Committee - although we did sign the agreement with the Town to allow them to use our Green Canyon Pipeline to transport excess water that the association does not use to supplement the town's domestic consumption needs.
2. The Architectural Committee
3. The Golf and Greens Committee
4. House and Entertainment Committee
5. Master Planning Committee

We anticipate these committees gearing back up as the weather improves and more people return from their winter residences.

The project garnering the most attention this month has been the Barn and Silo Redevelopment Project. Since we had our last Board meeting in January we have received many comments on the program and initial floor plan. I would like to thank all of the people who have contributed to this

process and encourage more of our members to speak up on this topic. It is the only way we can try to make the best decisions for our members. We will have a further discussion later in our meeting today. Comments to date can be reviewed on the Association's website, www.svrawy.com.

B. Finance & Legal Report: Chairman Blackman gave the following report:

The finance and Legal Committee did not meet during January, however the various lawsuits did continue.

The lawsuit concerning the DCC&R's is now in the hands of the attorneys. The judge did issue a decision in favor of the plaintiff's Request for Summary Judgment. The plaintiff's attorneys have now prepared a proposed final order for the defendant's attorneys to approve or prepare comments. It is our opinion that the judge's decision is unclear and requires further clarification. We are keeping all of our options available at this time.

The personnel in the Association Office have completed data accumulation on the fence lawsuit and have given it to our attorney for his further review and forwarding to the plaintiff's lawyer.

C. DCC&R Compliance Report-General Manager Sessions gave the following report:

There are currently 3 outstanding noncompliance issues currently open. Bud will continue his tours of the Ranch through the winter (as weather permits) addressing any noncompliance issues that arise.

D. SVRA Barn/Silo Redevelopment: Director Lujan gave the following report:

In January we mailed out conceptual schematic drawings to all lot owners on what the new Barn/Silo Redevelopment Project might look like. In our January, Board of Directors meeting we also gathered feedback from those present, on their thoughts or concerns on the project. We have also received feedback from other SVRA lot owners by email or phone calls. The feedback received has been compiled and it is now posted on the SVRA web site under Barn/Silo Redevelopment. All feedback received is shared with all Board members. We have also shared the information gathered with the Architect firm of Dubbe Moulder. We will continue to solicit additional feedback today, and comments received will also be posted on the web site. The Board will take all feedback received into account, as we progress with the next steps in the process.

The following comments and feedback were made from the floor and responded to by the General Manager and Board of Directors.

Ron Mueller: There are rumors that we are going to expand the maintenance shop this spring, is that true?

General Manager Sessions: We have been talking about it as an interim place to store things after the barn/silo is torn down.

Ron Mueller: It would be nice if you are expanding the shop that it could be a place that people could store their personal golf carts for a nominal fee.

Ann Blakely: Did the comments gathered at the last meeting get posted to the website.

Chairman Blackman: Yes, they were posted this week.

Diane Jones: What happened to all the input gathered from the previous community center project?

Chairman Blackman: Those comments were presented to the Barn/Silo Redevelopment Committee and taken into consideration.

Diane Jones: I think a community planner should have been hired in addition to the architect.

JC Colley: Will you be leasing the grill out to an independent party?

Chairman Blackman: Right now, that is our thought.

JC Colley: Are there any plans for electrical outlets if we have a pot luck or a dinner.

General Manager Sessions: We are not at that stage in the diagram at this point in time. That is part of the community center design, so that we have plenty of separated circuits in the ground so that people can put crock pots and that type of thing on long tables to facilitate a buffet and things like that. At the moment, there is a prep kitchen that could be used as well.

Diane Jones: I think the offices should be in the basement. I also think that there should be rooms that will give us a place to quilt, a place to play cards, a place to have a dinner show, something other than golf. Right now that building says I'm only here for golf. Take the golf carts out of the bottom and use that space for the community.

Chairman Blackman: That point that you made about not planning for anything else but golf, I don't think that's correct. We have a large area that is dividable. This space could be used for dinner shows, exercise, cards, or whatever else is needed. We are looking at that area as overflow (when the area is no being used) for the restaurant and bar. There are outside seating areas for the summer time, when we have more people.

Diane Jones: Why are there five offices?

Chairman Blackman: One for the General Manager, the Greens/Golf Manger, the Facilities Manager, the Bookkeeper/Accountant, and one for the Events Planner.

JC Colley: I assume that the bar area will be leased out, is that correct?

Chairman Blackman: That has not been decided yet.

JC Colley: It appears that the bar area is not very large. If you want to draw people in, make the bar larger and the restaurant smaller, so that you can draw in the sports crowds etc...

Kathy Lynch: Clearly, the emphasis is on a golf structure. Will there be additional drawings presented for the suggestions put forth?

Chairman Blackman: That is the reason we are doing this. I don't know that we can incorporate all of the ideas. To the best of our abilities, and financial restrictions, we are going to try and address everyone's comments and suggestions.

Kathy Lynch: The pro shop is strictly seasonal. So for the rest of the year, the facility is not functional to the full extent that it could be, based on the other needs and wants that have been expressed. In addition to that, what is the future impact that this project will have on the assessment?

Chairman Blackman: My goal is to have the payments for the loans not to exceed what we are currently accruing for the building. Right now we are assessing \$350.00, our maximum allowable assessment under the DCC&Rs is \$410.00. What I have been trying to do and what the banks are willing to do, on the interest rates that I tried to foresee the payments on those interest rates do not

exceed the \$40 that we are using right now for accumulation of money to build the building. I can't say the assessments will never go up. We are trying to work with what we are doing right now.

Carol Frisbee: I think the idea of using an inexpensive building for golf carts instead of storing them in this beautiful new building seems kind of redundant, when you could put golf carts in a less expensive building. Also, I think a stairway to the south deck would be good.

Boyd Siddoway: I would encourage you to have your architects look at the building not one event at a time but multiple events at a time.

Bob Horton: I agree with Mr. Siddoway and I also think the multi-purpose room needs to be bigger.

Diane Jones: I think you need to address the foot pattern to the bar/restaurant area. There should be two sets of restrooms in the building.

JC Colley: Maybe we should save our money for 2-3 years and build a larger building then.

Chairman Blackman: We are sort of in a catch 22 if you will. We have limited dollars, but interest rates are down, building prices are down, so if we wait 2 years we may have much higher interest rates. There is potential room for growth on the north side.

Bill Frisbee: Maybe we should consider a fundraiser. I remember when I was on the hospital board, what we did to get the walkways right is we waited a year before we put in walkways to see where the paths were that people took to put in the sidewalks.

Chairman Blackman: I don't know if we want the liability of people stepping on rocks after they've been drinking.

Gib Oswald: It sounds to me that everyone wants this thing to go through. I think to get it off the ground now would be a good idea and that we should do it.

John Blakely: I think the timing is good. I appreciate the meetings that we've had to discuss this. I think this process is very good. I appreciate that the Association is collecting membership feedback. I think the most important thing is do we have room for expansion and do we have room to change things?

Lovell Hopper: In looking at the plans, are we building a building for use by the community or are we building a commercial operations center?

Diane Jones: I think we need to have a stage and a place for activities for entertainment. This community needs to serve the entirety of the membership, if it does not then you as Board members are not serving the entire community.

Carol Warren: When you are talking about future expansion, are you also talking about the parking?

Chairman Blackman: We have thought about parking. We have thought about getting rid of some of the islands in the drawings. We also have the area to the north of the building that we lease from the Forest Service for overflow parking.

Ron Thacker: I would like to take the opportunity to commend the Board and the planners on this. This is a thankless job because we have many, many, many, many wants. The real question is what are really willing to pay for it. I hear we have to have this and this and then we start talking about the

assessments and that starts a whole new operation. I think that Mike and the Board have done a really good job in saying, "Folks this is the amount of money we have to work with. I know you want new buildings, I know you want storage, I know you want that. How much are you willing to pay for it." That's what it really comes down to. These folks are working really hard to balance that. Maybe just maybe when they come up with a solution everyone is a little unhappy and whining about it. Maybe that is the best solution. It doesn't matter what they do not everyone is going to be happy. Someone will say I don't want to pay for the quilters because I'm not a quilter, I don't want to pay for golf because I don't golf. Folks, I am just saying, give these folks a break with all their high pay and benefits, I think that they are doing a really fine job. They are doing the very best they can, they are trying to get all the information they can. We might as well face it now that not everyone is going to be happy. We need to say we are doing the best we can and move on. Forget about the sniping and the guerrilla warfare and the retribution and all the other B.S. that goes on and realize that we are just trying to do what's works the best for this community.

JC Colley: You have a point we only have so much money. We have been taking comments from people. The current plans (even using that sq. footage) do not seem to make sense to me. Like you said walking through the meeting room to get to the bar and grill if you put that community center room in the back and people are having a function it wouldn't interfere with the bar and grill. It would make it easier for the golfers to go in and get something to eat or drink. Please take into consideration making things more accessible.

Chairman Blackman: That's been suggested and we are looking into all the comments. We plan on having another meeting probably in the springtime, a little more formal presentation with the architect to field some more questions. I am glad to see that this many people are taking an interest in this.

Bob Horton: If you look at the sq. footage we have now, why should we take a substantial cut in the space we have for activities and pay for a building that has a lot less sq. footage for activities. I don't feel we have enough square footage in this room to facilitate what this community needs for it's activities. This building should be planned around what the majority of the members want for activities.

Boyd Siddoway: The committee you put together when we thought we were going to be able to build a \$3.2 building, was a very diverse committee. The feeling is that these decisions are being made by our Board of Directors, which 6 of the 7 are passionate golfers. I suggest that you look at a committee that is more diverse, so that people that are not golfers feel like they have a direct representation on the decisions that are being made.

Director Lujan: At this point in time, the majority do golf, but I hear what the mayor is saying and it's a valid point.

Boyd Siddoway: The committee should also represent those that live here year round.

Tallia Booker: I like the drawings that have been presented. I think to have the space for a dinner show is a great idea, but we would only need that space once a year. I am hearing that a majority of the membership participate in the dinner show. How many people my age participate in that event? I feel that we need to do more events for the young families that are here on the Ranch. I think the building that was presented would be great to facilitate those events. To build a bigger building for the sole purpose of a stage/dinner show would be a terrible idea.

Chairman Blackman: With the ability for this building to be a year-round facility, maybe we could get something like a boy scout group meeting here. Maybe a youth type thing that we can get going through H&E. There needs to be something to keep people active and give them something to do instead of vegetate all winter long.

Sheryl Manning: I would like to suggest putting a basketball/rec room in the basement. Then we could do the dinner show downstairs.

JC Colley: If we had a year round facility we could do much more than one dinner show a year. Every dinner show we have ever done has been sold out. If we are considering renting the space for weddings, you need a stage for a band. If we have a dance we need a stage.

Chairman Blackman: With a stage we could seat 140 people (classroom style), as drawn right now. The comments we are getting are not being ignored. We are looking into them, we are sending them to the architects so they know what is being requested.

Ann Blakely: I have been working with the Barn/Silo committee and have not heard any biases towards golf. I have heard their interest in trying to keep comprised of what the membership has declared that they wanted in the past. They have been reading these community surveys and all that information. The members of this committee and the Board of Directors have done a lot to try and arm themselves with the information that reflects the interest of this community. I have attended more than a few of these meetings and this is the biggest group that I have seen in a long time, and that is great.

Chairman Blackman: I appreciate all the input, we need it. We want this to be something that we can utilize into the future. The ideas that we have heard we are going to try and see if there is a way to work some of them into this project.

4. General Manager's Report: General Manager Kirk Sessions gave the following report:
Account Statements: All bank accounts are balanced for the month of January.

Assessments

2009 Lawsuit Collection Status: 12 Lots (.6%) have not paid in full (4 foreclosures).

2010 Assessment Status: 19 Lots (.9%) have not paid in full (includes 12 from above).

2011 Assessment Status: 32 Lots (1.6%) have not paid in full.

2012 Assessment Status: 90 Lots (4.4%) have not paid in full compared to 61 (3%) for the same period last year.

2013 Assessment Status: 668 Lots are paid in full which is less than last year but in line with 2011. In 2012 the due date was not precisely communicated, resulting in faster payment submissions. As established by the Board, 2013 payments are due by 2/28/13 and considered late if not paid by 3/31/13.

Business Activities: For the month of January, the allocation of \$16,240.00 (406 lots X \$40) for each assessment paid) was transferred from the Operations Checking account into the Restricted Capital account for the Barn/Silo Redevelopment. This transfer brings the account balance to \$94,005.79 including accumulated interest.

An overview of SVRA Financials finds the one month Gross Profit at budgeted levels, Total Expense at 12.5% better than budget resulting in year-to-date Net Ordinary Income prior to depreciation at 2% better than budget. The year-end account transfers previously reported have been accomplished and a thorough review of the financial reports has been completed in preparation for the audit.

DCCR Compliance Report: There are currently 4 outstanding noncompliance issues currently open. Bud will continue his tours of the Ranch through the winter (as weather permits) addressing any noncompliance issues that arise.

Golf Operations

Kurt has placed the majority of the orders of merchandise for the pro shop and supplies for golf course maintenance. He has also been working with me on reviewing interim contingency plans for pro shop operations and cart storage during demolition and construction of a new facility.

Facilities: Ernie and Kurt have been working together to maintain our cross country skiing trails and sledding hill at Aspen. The positive response to the trails has been outstanding again this year! It was our pleasure to provide a training venue for the Etna elementary students in their preparation for the Special Olympics! Plans are being solidified for a cross country clinic on February 23 at 10 A.M. working with RPM Sports of Thayne who will have equipment available for everyone interested in trying out this winter sport. Deb Adler will also participate, providing technical training for those in need. The trails and sledding hill are groomed on Monday and Friday as weather permits.

5. **Old Business: None stated.**

6. **New Business: None stated.**

7. **For the Good of the Order: None stated.**

8. **Adjournment:***

- Director Izatt made a motion to adjourn.
Director Kovach seconded the motion.
Motion passed unanimously.

Meeting adjourned at 10:00 a.m.


Chairman Mike Blackman

Vice Chairman Ron Denney

Secretary/Treasurer Ann Earl



Director Jere Kovach

Director George Toolson



Director Derk Izatt

Director Robert Lujan