

Star Valley Ranch Association  
Board of Directors Meeting  
February 19, 2015  
7:00 p.m.  
Town Hall

Mike Wardle: Chairman  
Ron Denney: Vice Chairman - Present via Teleconference  
Ann Earl: Secretary/Treasurer - Present via Teleconference  
Bob Meikle: Director  
George Toolson: Director - Present via Teleconference  
Dennis Christianson: Director

**Call to order:**

Chairman Wardle called the meeting to order at 7:01 p.m., stated that there was a quorum and called for the Pledge of Allegiance.

Chairman Wardle recognized special guest, Councilmen Ed Koch.

**1. Adopt Agenda:\***

- Director Christianson made a motion to adopt agenda.  
Director Meikle seconded the motion.  
Motion passed unanimously.

**2. Approval of Minutes for January 2015 Board Meeting:\***

- Director Meikle made a motion to approve the January 2015 Board Meeting Minutes as written.  
Director Christianson seconded the motion.  
Motion passed unanimously.

**3. Standing & Special Committee Reports:**

**A. Chairman's Report: Chairman Wardle gave the following report:**

We have one outstanding litigation called the Ainslie Fence Litigation. Preparations have been made for it and Jere Kovach, Mike Blackman, Mike Wardle, Dennis Christianson, and Kirk Sessions will be at the court on the 25<sup>th</sup> of February.

We started our search for a new General Manager, it will go out in the Jackson Hole Daily and Star Valley Independent this week, and we will be accepting resumes to replace Mr. Sessions. We have decided to get going with this because whoever we pick we will want to have Mr. Sessions' tutelage for a couple of months, and we also had built into the budget, wages for that proposal.

**B. Finance & Legal Report: Director Meikle gave the following report:**

Director Meikle made the following motion that the Legal and Finance Committee be made up of Jillaine Maes, Gene Root, Bob Hayes, JC Colley, Kathy Dietz, Cathy Lynch, Donna Thompson, and Ron Mueller.

Director Christianson seconded the motion.

Motion passed unanimously.

At the Finance and Legal meeting on February 9<sup>th</sup> the committee discussed the issue of building permits. In a paragraph from Jillaine Maes she said "In the discussion of our last legal and finance committee meeting I believe we suggested that the Star Valley Board ask the Town to tell applicants that they need to have approved from the architectural committee before they accept an application from the Towns approval. I also believe that this will resolve most if not all the issues we are having since the Star Valley Ranch has tighter restrictions than the Town. This is something the Star Valley Ranch Association and the Town should sit down and discuss." We have identified some small areas where the Association and Town are not in sync, and where we tend to confuse people in the permitting process. In addition to reaching that decision we looked at one other issue: lot restrictions. We are trying to get clarity between the DCC&R's from 2012 and the original DCC&R's. We are working with our attorney to get clarity about how to switch back to the original DCC&R's without causing a lot of confusion.

Ed Koch asked what Jillaine's recommendation had been, and what the Association was going to tell the Town to do?

Chairman Wardle answered that we were not going to tell the Town to do anything, but we are going to ask them to help us with the permitting process. We are asking them to include on a cover page a reminder that the Association has to approve any building on the ranch. Chairman Wardle also wanted to make it known that the Association is not telling the Town that they have to do anything.

**C. Utilities Report: Vice Chairman Denney gave the following report:**

Silverstar currently has an easement on the airport for their communications building, and they want to put in a propane tank and generator to provide backup power.



In order for them to do this the easement needs to be extended to the south by several feet so that the tank and generator are at least 100 feet away from the Town's culinary well. Silverstar is going to proceed with getting the easement documentation completed with a couple of surveys, and they are also going to get Leisure Valley to be a co-signer in case there are any issues with surveys. This is the second discussion for this and next month will be the final discussion and we will make a motion to proceed.

**D. Architectural Report: Director Christianson gave the following report:**

Permit Activity (11/20/2014 to 01/15/2015)

Application Received: 1

We have one application received but not reviewed, and another permit that we do not have, but that we are going to look into. Marc Jones and the Town have come up with an idea, to put on the cover, and in the newsletter to help people understand where they need to go to get their permits. We have been able to get everyone from the P&Z Board to recommend that they put permit information from the Association in their packet, as a courtesy, to help remind them that they need to get a permit from both entities.

**E. House & Entertainment Report: Chairman Wardle gave the following report:**

We would like to invite everyone out for a new event this year; it is sledding on Saturday. The Association is going to provide hot cocoa and cookies for all the kids that want to come out to Aspen Hills #1. Kurt and Ernie are going to try and get it smoothed out for sledding. This event is planned a couple more times but if the snow doesn't cooperate with us then they may get cancelled.

Chairman Wardle made the following motion to add Boyd Siddoway to the House and Entertainment committee, added onto the other people that have been approved.

Director Christianson seconded the motion.

Motion passed unanimously.

**4. General Manager's Report: General Manager Sessions gave the following report:**

**Winter Recreation:** Due to unseasonably warm temps and snow loss we will have to restrict snowmobiles soon without more snow. Grooming trails is not possible without fresh snow, but we will groom when we can. Updates regarding these two activities will be communicated in the SVRA e-mail and on the sign at the entry.

**Account Statements:** All bank accounts are reconciled for the months of November through January.

**Assessments:**

**2009 Assessment Status:** 10 Lots (.5%) have not paid in full (1 foreclosure).

**2010 Assessment Status:** 15 Lots (.7%) have not paid in full (2 foreclosures).

**2011 Assessment Status:** 21 Lots (1%) have not paid in full.

**2012 Assessment Status:** 37 Lots (1.8%) have not paid in full.

**2013 Assessment Status:** 54 Lots (2.6%) have not paid in full.

**2014 Assessment Status:** 78 Lots (3.8%) have not paid in full.

**2015 Assessment Status:** 1222 Lots (60.6%) have not paid in full. This is slightly better than past years for the same period. There are currently 7 foreclosures that we are aware of on the Ranch.

**Reminder:** Assessments are due 2/28/15 and considered late if not paid by 3/31/15. If Not paid by 3/31/2015, Interest On Unpaid Balance Commences, retroactive to 3/1/2015.

All member accounts with unpaid assessments for 2014 and prior years, 76 in total, were referred to the attorney to commence legal action. 3 lots have been brought current since.

Boyd Siddoway asked if legal action ultimately would lead to repossession of the property.

General Manager Sessions answered yes but that first you have to go through the suit and get the ruling from the judge, but it may not be the ultimate end result.

Boyd then asked how long the time frame is before we can act.

General Manager Sessions said that it should be a matter of months. The attorney will write a letter and give them 30 days and if it isn't paid then he will take them to the court in clusters. It was asked if liens have been filed. Mr. Sessions said that yes some of these properties have liens filed on them from previous years but the problem with those is that the lien is only good for the amount that was owed at that time. Also, with a lien we have to wait to get the money until they sell the property.

Boyd Siddoway made the suggestion that as we are going through this process that we publish what we are doing so that people will see that we are serious about people paying their dues.

**Business Activities:** For the months of November, December, and January, the allocations of Annual Assessments for the Barn/Silo Redevelopment were transferred from the Operations Checking account into the Restricted Account for the Barn/Silo Redevelopment as follows:

2014 - \$1160.00 (29 lots X \$40 for each assessment paid)

2013 - \$120.00 (3 lots X \$40 for each assessment paid)

2012 - \$88.18 (2 lots X \$40.09 for each assessment paid)

Total = \$1368.18

These transfers bring the account balance to \$213,495.49 including accumulated interest.

We are working with the bank to set up a new account, dedicated for the Major Maintenance Reserve Account contributions from collected assessments (\$21.88 per lot for 2015). Beginning next month I will provide an update regarding contributions to date and account balance.

Ed Koch asked if the \$21.88 is in addition to the \$40.00.

General Manager Sessions answered that no, the \$21.88 is being collected instead of the \$40.00 and is going into a completely separate account. The Barn/Silo Redevelopment account is frozen.

An overview of SVRA Financials for 2014 finds the yearend Gross Profit at 1% (\$11,551) better than budgeted level, reflecting the impact of better than expected interest income and swim lesson revenues. Total Expense is 7.5% (\$79,098) better than budgeted level, reflecting appropriate control of expenses across all of SVRA businesses, the impact of weather and turnover on payroll and a significant savings in Golf Operations. The resulting Net Ordinary Income prior to Depreciation, I'm very pleased to report, is 74.4% better than budgeted level. The yearend cash assets (12/31/14 Balance Sheet) Total \$1,364,834.14. The summary of the Financials for December YTD are available on the SVRA website.

The audit of the records for 2014 by Dave DeCoria has begun and verification of financial records at the office will be conducted 3/16-20/15.

As part of the standard yearend procedures we reconcile the bank Operating Account to the established maximum balance of \$100,000 for the next fiscal year beginning. I will review the results and recommendations made to the Board.

2014 OPERATING ACCOUNT RECONCILIATION

3/2/2015

| ACCOUNT | OPERATING ACCOUNT ACTIVITY 2014   | AMOUNT              |
|---------|---|---------------------|
| 81507   | REDEVELOP BARN/SILO EXPENSES 2014   | \$8,897.59          |
| 81414   | GC STORAGE BUILDING EXPENSES 2014   | \$2,768.00          |
|         | <b>TOTAL UNBUDGETED BARN/SILO REDEVELOPMENT CAPITAL SPENT</b>   | <b>\$11,665.59</b>  |
| 81510   | STEWART LINE MODIFICATIONS FOR #8 ASPEN HILLS FISH POND   | \$1,565.37          |
| 81506   | BARN/SILO RELOCATION BUDGET UNUSED  | (\$6,120.08)        |
|         | <b>TOTAL UNPLANNED &amp; UNBUDGETED CAPITAL SPENT</b>   | <b>(\$4,554.71)</b> |
| 1000    | OPERATING ACCOUNT AS OF 12/31/14  | \$171,190.78        |
|         | 2015 ASSESSMENTS PREPAID IN 2014 INCLUDED IN 2015 BUDGETED INCOME   | (\$5,014.59)        |
|         | 2014 OPERATING ACCOUNT STARTING ALLOWANCE   | (\$100,000.00)      |
| 81508   | CEDAR CREEK #13 POND RENOVATION (TO BE RECOUPED FROM 2015 CAPEX-BUDGETED)   | \$16,520.58         |
|         | <b>AVAILABLE FOR TRANSFER</b>   | <b>\$82,696.77</b>  |
| 2999    | ** REIMBURSEMENT REQUIRED FROM RESTRICTED CAPITAL ACCOUNT TO OPERATING ACCOUNT (PROPOSE REDUCTION OF SVRAMC RESTRICTED CAPITAL ACCOUNT) | \$11,665.59         |
| 2997    | <b>TOTAL TRANSFER TO GCM EQUIPMENT FUND</b>   | <b>\$94,362.36</b>  |

Director Toolson made the following motion to approve the transfer of funds from the restricted capital account, to offset expenses, and transfer operating funds to the GCM equipment reserve account.

Director Christianson seconded the motion.

Motion passed unanimously.

#### **5. Old Business:**

Alexandra Sweatt explained why they believe they should receive a variance to have a 6ft. fence. She stated that she had a stroke that has affected her balance, and took away her ability to run so the fence is to protect her and her dogs from other dogs that come into the yard, and to keep away wild animals that may come into the yard. They did apply for a regular permit through the Town and the Town did approve it prior to the Association. The Association did deny it and they got a denial letter that they claimed was sent more than 45 days after they put in their application. It was felt that the time between the application and denial was erroneous, so it was to be validated in the office subsequent to the meeting. The Sweatt's said that they could still submit a variance request and the supporting documentation if it was needed.

#### **6. New Business:**

Mark Michel brought up the issue of people feeding the deer. His neighbors have been feeding the deer for the past 2 years and it has cost him a lot in trees and shrubbery. He claimed that a lot of homeowners associations and towns in Wyoming have rules against feeding the deer. He would like the Board of Directors to discuss this issue and come up with a plan by the next Board meeting. He claims that in Wyoming it has legally been defined as a nuisance.

Director Christianson said that he has talked to the Game and Fish and it is not illegal except in Teton County.

Director Meikle asked him to come to the next Legal and Finance meeting on March 9<sup>th</sup> at 3:00 p.m. to give them all of the information so that they can look into this issue.

Boyd Siddoway said he had talked to the Towns attorney and that when they had looked into this issue that there was very little they could do to prevent it but that the person being hurt has a civil right and can take the offender to court and have that individual reimburse you.

Director Meikle suggested that he should start documenting it with pictures.

Chairman Wardle let him know that this issue is on the agenda for the next workshop and that they might have to seek legal advice about what the Board can do.

## 7. For the Good of the Order:

Robert Palmquist read the following letter about short-term, transient rentals on the Ranch.



Board of Directors  
Star Valley Ranch Association  
781 Vista East Drive  
Star Valley Ranch, WY 83127

February 19, 2015

Dear Directors,

Please consider this letter to be a reiteration of formal complaint I made on February 9<sup>th</sup> about violations of the Declaration of Covenants, Conditions and Restrictions (DCC&Rs) of the Star Valley Ranch Association (SVRA). My complaint pertains to repeated violations of *Article VII (Use Restrictions), Section 5*, which reads "No mercantile, manufacturing, mechanical or trade business, or business establishment of any nature shall be maintained on said land." and to *Article VII, Section 7*, which reads "No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon that may be or become an annoyance or nuisance to the neighborhood. Without limiting the generality of the foregoing ...."

I have observed advertisements on the web for residences within the Association's jurisdiction being offered as short-term (transient) vacation rentals. The various websites offering these vacation rentals are commercial operations that provide advertising and initial contact services for a fee. Moreover transient rentals (renting for less than 30 days) are considered by the State of Wyoming to be a commercial enterprise that requires the collection of state sales tax. I believe that repeated short-term rentals using a rental agency and the collection of state sales tax constitutes evidence of a business activity involving the residences.

My reading of *Article VII, Section 5* the DCC&Rs indicates to me that business activity is not allowed on any property subject to said DCC&Rs. The Board of Directors of the SVRA is responsible for enforcing all aspects of the governing DCC&Rs and I expect to Board of Directors to meet its obligations.

In addition, the presence of large numbers of vacationers (up to 32) for a short duration constitutes an offensive activity (see *Article VII, Section 7*) for the neighborhood and degrades the existing quality of life and property values. Besides the noise, increased outdoor activity, partying, and other typical vacation activities, the number of vehicles, including automobiles, ATV, snow machines, and appropriate trailers, are a health, safety and nuisance issue (for instance, 32 guests represent between 8 and 16 automobiles plus trailers). These are easily defined offensive activities..

I realize that private property rights may be an issue that the Association is hesitant to address but I point out that property owners in the neighborhood of the vacation rental and the community as a whole also have private property rights that are being infringed upon by such rental activity.

In proof, I attach a summary table describing the rental properties and citing the web addresses of the advertisements and a map showing their distribution. The websites provide detailed descriptions of the residences, the nightly rental fee, multiple reviews by previous guests, and available dates.

This activity is becoming more common each year and must be addressed now before the activity becomes more prevalent and difficult to halt. I expect the SVRA to remediate these DCC&R violations by requiring the offending property owners to remove the web advertisements and to cease using their residences as transient rental property.

I thank the SVRA Board of Directors in advance for your prompt action and anticipate learning about the actions taken in the very near future. I trust that no further action on my part is necessary.

Sincerely,

Plat 20, Lot 60,  
Star Valley Ranch

Attachments:  
Table of Identified violators  
Map showing distribution of identified violators

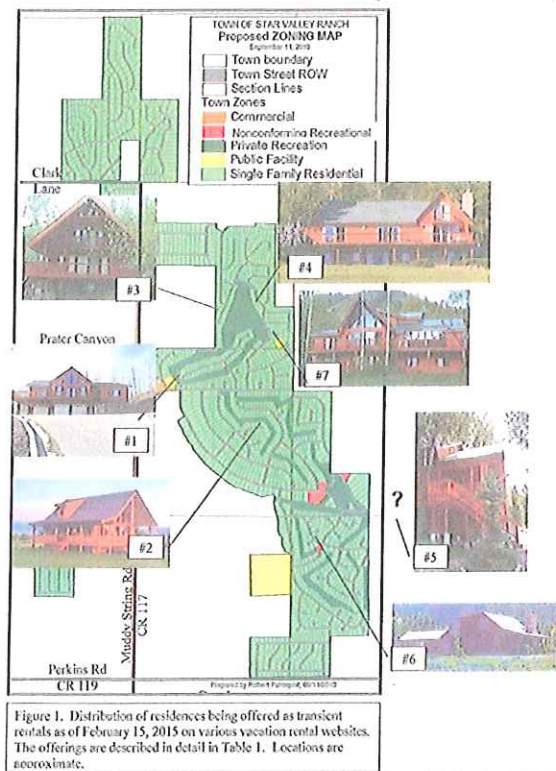


Figure 1. Distribution of residences being offered as transient rentals as of February 15, 2015 on various vacation rental websites. The offerings are described in detail in Table 1. Locations are approximate.

Table 1. Description of residences offered for vacation transient rentals in the Town of StarValley Ranch identified as of February 15, 2015. The information provided by property owner.

| Map Number | Guest Capacity | Number Bedrooms | Number Baths | House Area (Sq. ft.) | Advertised since | Owner Name              | Web Reference   |
|------------|----------------|-----------------|--------------|----------------------|------------------|-------------------------|---|
| 1          | 15             | 5               | 3.5          | 3600                 | 2009             | Meghann Titensor        | <a href="http://www.homeaway.com/vacation-rental/p3766025#summary">http://www.homeaway.com/vacation-rental/p3766025#summary</a>   |
| 2          | 8              | 2               | 2            | NI*                  | 2015             | Greg and Suzanne Nelson | <a href="http://www.homeaway.com/vacation-rental/n677735yb">http://www.homeaway.com/vacation-rental/n677735yb</a>   |
| 3          | 13             | 4               | 3.5          | 3000                 | 2012             |                         | <a href="http://www.homeaway.com/vacation-rental/p412396yb#summary">http://www.homeaway.com/vacation-rental/p412396yb#summary</a>   |
| 4          | 17             | 6               | 4            | 4200                 | 2012             | Matt Walker             | <a href="http://www.homeaway.com/vacation-rental/p424759yb">http://www.homeaway.com/vacation-rental/p424759yb</a>   |
| 5          | 2 (4)          | 1               | 2            | NI**                 | 2013             | Western US Properties   | <a href="https://www.airbnb.com/rooms/1080550?se=2Mlx">https://www.airbnb.com/rooms/1080550?se=2Mlx</a>   |
| 6          | 6              | 3               | 2            | NI                   | NI               |                         | <a href="http://www.trails.com/rentals/property.aspx?vacation=0104327_Star%20Valley%20Ranch_WY">http://www.trails.com/rentals/property.aspx?vacation=0104327_Star%20Valley%20Ranch_WY</a> |
| 7          | 32             | 7               | 4            | NI                   | 2015             | Steve Afleck            | <a href="http://www.vrbo.com/677755">http://www.vrbo.com/677755</a>   |

\* NI = No information

\*\* Rooms in basement - appears to be owner occupied; has several other properties for rent in Arizona.



Chairman Wardle said that this is also an issue that they will address at the next workshop, and he thinks that they will start by sending out a cease and desist letter from the Board. If that doesn't work then they will have to move to the lawyer and see what the legal parameters are.

Director Meikle stated that when he had talked to John Woodward, the county planner, that he said there is not a case in Wyoming where a homeowners association has tried to stop a V.R.B.O. (Vacation Rentals by Owner) and the homeowners association has sent a cease and desist letter. Most of this is going to happen through a P&Z or through town and county ordinances. So this is not something that fits into the wheelhouse of the DCC&R's, it fits more in the wheelhouse of what the Town can do with ordinances. If the Town has ordinances that can back us then we might have something, but to do this on our own would be an extremely difficult challenge.

Boyd Siddoway was confused about what is different between the Town enforcing their rules and the Association enforcing theirs when they both lead to court. He wanted to know why Director Meikle thinks that Town should do this when the Association already has is as part of the DCC&R's.

Director Meikle stated that our attorney has told us we can only enforce what is in the DCC&R's and right now there is nowhere in the DCC&R's that says they cannot rent.

Director Toolson stated that the Town can build ordinances which are backed by the Town Judge and the town's court system, but the Association does not have that kind of bite. The Town can build an ordinance or make a fine but the Association cannot.

Chairman Wardle suggested that Mr. Palmquist take this issue to the Town also because the Town reacts to what the townspeople want. He also said that the Association would take this issue as far as they legally can, and that they are going to try to get people to start using self-enforcement. They are trying to make it so that they can ask people to do something, like move a trailer, and they will just do it, we don't want to have to sue every single person that is doing something against the rules.

Dennis Perry asked what the recourse is for someone that doesn't abide by the DCC&R's. Chairman Wardle stated that if you don't comply our only course of action is to take you to court and sue you. We can't just go out and fine you for non-compliance because the ability to fine is not written in the DCC&R's. Dennis then asked what the game plan is to go back to the original DCC&R's.

Chairman Wardle stated that we are sending a list of how we are going to move forward to the attorney and asking him if he can legally defend us.

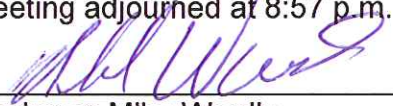
Lee Hansen asked what was going to be done about the transient rentals. Chairman Wardle said that he thinks we should send out a cease and desist letter, and possibly notify the state tax commission that these people may not be collecting sales tax.

General Manager Sessions made the recommendation that the Board take this to the attorney before making a commitment to do anything.

**8. Adjournment:\***

- Director Christianson made a motion to adjourn.  
Director Meikle seconded the motion.  
Motion passed unanimously.

Meeting adjourned at 8:57 p.m.

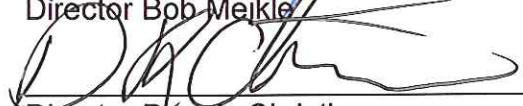
  
\_\_\_\_\_  
Chairman Mike Wardle

Approved via Teleconference  
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Secretary/Treasurer Ann Earl

Approved via Teleconference  
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Director George Toolson

Approved via Teleconference  
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Vice Chairman Ron Denney

  
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Director Bob Meikle

  
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Director Dennis Christianson