

Star Valley Ranch Association
Board of Directors Meeting
January 19, 2013
9:00 a.m.
Town Hall

Mike Blackman: Chairman
Ron Denney: Vice Chairman-via phone
Ann Earl: Secretary/Treasurer-via phone
Jere Kovach: Director-via phone
Derk Izatt: Director-absent
George Toolson: Director-via phone
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 & Council members, Ed Koch and Kent Harker from the Town of Star Valley Ranch.

1. Adopt Agenda:*

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

2. Approval of Minutes for November 2012 Board Meeting:*

- Vice Chairman Denney made a motion to approve the November 2012 Board Meeting Minutes as written.
Director Kovach seconded the motion.
Motion passed unanimously.

3. Standing & Special Committee Reports:

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

As the year 2012 closed the preliminary financials for the Association appear that, thanks to the hard work of our staff, we were able to beat the budget by about 11%. The General Manager will discuss this further in his report.

As we begin 2013 I am excited about what the Board has planned. We have set some aggressive goals and projects. Not the least of which is the redevelopment plan for the barn and silo as well as the Association offices. We are actively looking for public input to help guide us on this project. We will discuss this further on in the meeting and at future meetings.

Another big project is preparing the master plan to help guide the BOD for year's into the future and hopefully allow this BOD and future Boards to better plan the budgets and future uses of the Association funds.

Immediate projects include the facilities at Cedar Creek Park, improvement in the golf facilities, water facilities, and work on the Tennis facilities. Hopefully every member of our Association will benefit from

at least one if not all of these projects. More details on these projects to be found in the information that was sent out with the 2013 assessment notices.

With the current economy we have many challenges for our golf operations that are the same as they were last year. Hopefully our staff will again be aggressive at controlling costs and looking for ways to encourage outside participation. The BOD is eager to consider any and all innovative ideas.

H&E will again be very active this year. I encourage everyone to check out the calendar and plan on supporting the activities through attendance and volunteering.

Finally, we are looking for more people to become more involved with the progress of the Association by running for office. There will be three director positions that will become available this year. If you are interested contact the Association offices to find out what needs to be done.

B. Utilities Report: Director Toolson gave the following report:

The only thing to report for utilities is to finalize the Green Canon Pipeline Agreement. This agreement is between Star Valley Ranch Association and the Town of Star Valley Ranch. It basically says that the Association will rent to the Town of Star Valley Ranch the Green Canyon Pipeline and anything that happens to be in it. The Association does not use this pipeline to water the golf courses. This agreement saves residents of Star Valley Ranch by the Town not having to use the Town's water pumps.

- Director Toolson made a motion to authorize the Association Chairman Mike Blackman the ability to sign and finalize the Green Canyon Pipeline Agreement for 2013.

Director Lujan seconded the motion.

Motion passed unanimously.

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

The Finance & Legal Committee did not meet over the holidays. However the various lawsuits did continue.

The lawsuit concerning the DCC&Rs is still in the judges hands. The Pinedale court is very busy and there is no indication of when the decision will be presented.

The lawsuit regarding the fence application has progressed to the discovery portion. Lawyers are discussing the proper time table in which the data will be presented. The personnel in the Association Office is progressing with that data accumulation.

D. Architectural Committee Report: No report

E. Golf and Greens Committee Report: No report

F. House & Entertainment Committee Report: No report

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

There are currently 3 outstanding noncompliance issues currently open. Two violations reports have been received this week and referred to Bud for visits with owners. Bud will continue his tours of the Ranch through the winter (as weather permits) addressing any noncompliance issues that arise.

H. Master Planning Report: No report

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

The architect firm of Dubbe/Moulder completed the schematic drawings of the new multi-purpose facility. The drawings which included site plans, floor plans, elevations and artist renderings of the proposed project were mailed out to all Star Valley Ranch Association lot owners as part of their annual assessment package. Also included was a question and answer sheet which covered some of the general questions addressed while approaching the project.

It's important to note these are conceptual drawings; however, they do represent what the final project might look like based on our available budget. Over the next few weeks we will be reviewing community feedback. Our next step, after reviewing the feedback, will be to contract with the Architect to further develop and refine the architectural plans.

Everything completed to date is laid out in the packet which was mailed. We encourage everyone to review it and provide their feedback.

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

Mayor Siddoway: What is the short term timeline? In other words, how long are you leaving this open for feedback?

Chairman Blackman: We plan on doing another meeting just like this one in February, where we are open to more comments. We will continue to communicate with the architect some of the feedback we get from the members.

Mayor Siddoway: Are you going to take these comments, summarize them and get them out to the membership?

Chairman Blackman: I think we could put comments on the Association website.

Ann Blakely: The timing of getting a year-round facility to meet the needs of our members is really prominent. We want to attract some of the activities that are happening in other places in the valley here to Star Valley Ranch. I am personally excited for the activities to have a home here at Star Valley Ranch.

Ed Koch: It appears you have to go through the multi-purpose room to go to anywhere else in the building.

Mike Blackman: We have noted that and have talked to the architect about that.

John Blakely: The biggest thing I miss about the silo is the restaurant. I would like to see a nice restaurant there.

Mayor Siddoway: Is there something void in the Thayne and Etna Community Centers that Star Valley Ranch could do to make us different?

Chairman Blackman: We have thought about that. That is one reason we have stayed clear of a gymnasium. We envision using the great room in a multitude of ways. For overflow in the restaurant, overflow in the bar, have wedding receptions, meetings, etc... We have talked about being able to divide that space with movable walls and such.

Director Lujan stated (in response to Mayor Siddoway question) that he has been in many of the community centers across the valley. Our greatest obstacle is our budget. The building we have

designed meets our basic needs, ideally we would like to have the bar, restaurant, and multi-purpose room much larger. We went through several different drawings with the Architect. Our first drawing would have exceeded 2 million plus in costs. Although not ideal, these current drawings represent what we can afford. I didn't see anything additional in the other community centers that we would need to provide. I agree with the restaurant, but size wise, we are restricted by our budget.

Carolyn Koch: So basically you are saying that we haven't even built it yet, but we have already outgrown it, because we can't have a restaurant, we don't have room for the activities that we do in the barn now, like pool, karaoke, cards, dinner shows, etc... We have this big room but with everyone walking through it, there is no way of organizing any activities. If we are going to spend all this money it will be too small to use it the way we want. It looks like we are basically building this building to create new offices for the Association. If that is the case, then why don't we just do that?

Chairman Blackman: Interest rates are relatively low, Contractor prices are better. It seems like a good time for this project. We will challenge our architects a little more and say what better we can do. That is where we would like some feedback from our members. We are trying to incorporate as much as we can. As you will see we have planned to be able to expand in the future. Right now our buildings are falling down around our ears.

Mayor Siddoway: Have you looked at this building as a winter use facility?

Chairman Blackman: Yes

Mayor Siddoway: Where the pro shop is in the winter the front entrance will be dark through the winter. Make the entrance into it year round. We are building this building for today's use. I don't know what mortgage you are looking into a 20 year or a 30 year.

Chairman Blackman: We have talked to the banks and the best rates are a 15 year with a fixed rate for 5 years. Then it would be a renegotiation on a balloon or a variable rate. I don't like variable rates. I have looked at a possible amortization that goes a 15 year for 5, a 10 year for 5, and a 5 year for 5. With the amount we are looking to finance, if I've done the calculations right, we will never exceed what we are collecting now for the Association building. We would actually have a little in excess to re-accumulate capital at a constant rate for future needs.

Mayor Siddoway: The reason I ask is because we are going through the same thing obviously and the economy is as bad as I hope it gets. What I am looking at is what happens when the economy turns around and the building is insufficient in the opportunities to provide activities for the members. You cannot hold a play or talent show in the space you have allocated.

If you look at the building from a real estate perspective you have the Association offices in probably the most prime location up there. You have that vacant area downstairs, where you could put those offices and give yourselves another 650 sq. feet on the main floor for facilities that would provide opportunities to our members. I think you should consider a pass through for the restaurant and bar so that if someone comes up with muddy boots, they can grab a drink or a burger and not track mud through the facility. Make it easy for them to get in and out.

General Manager Sessions: Let me just clarify the bar and restaurant is just a box right now indicating space that is set aside for those things.

Carolyn Koch: I would suggest that the future expansion be flipped the other way. It would seem like it would make sense to connect that area to the multi-purpose area.

Has anyone approached the idea of contacting some private investors, someone that has money that would like to make an investment in something like this?

Chairman Blackman: It might get a little twisted with the by-laws and the mortgage and things like that. I don't know how it would work.

Ed Koch: Maybe you could look for a couple of endowments, that the investor could put their name on the building or the great room for instance.

Mayor Siddoway: My concern is we try to do activities and we can't do them because we don't have the facilities. I hate to see us invest nearly two million dollars and have someone say we can't do that because the facility won't accommodate it.

Helen Harker: Also, remember having more than 2,000 lots, we will have more people here eventually.

Carolyn Siddoway: We need to have a facility that all our members can enjoy. Not just the golfers. I don't see anything in your plan for Association members other than golf.

Chairman Blackman: We were anticipating the multi-purpose room could be used for overflow for the restaurant and bar as long as there are no other events scheduled in that area. I understand the scheduling problem.

Mayor Siddoway: If you are going to have a bar and a restaurant you need to have something to bring people there. As far as I know you have three things that bring people to your bar. They are golf, karaoke, and your pool players. You have to be able to provide those activities to draw patrons to your bar/restaurant.

Tricha Blackman: We have one major problem, I am sure everyone would love to have a big meeting room, they would to have a big restaurant, and does anybody have any idea where we can get some more money to do that.

We have the lowest Association fees I have ever heard of, yet people complain about how much they are. If you want a nice new big building we have to up the Association fees. What are the chances of us doing that?

Chairman Blackman: The Board has the authority to up the Association fees, what are the chances they would want to do that, I don't know.

Tricha Blackman: I am saying I know that if we were to raise the Association fees, the general population will squirm. If we want to improve our property values we need a better facility. If we want a better facility we need more money. I would love to have more space, but I think our biggest problem is money.

Carolyn Siddoway: Then maybe we need to wait and save up more money so that we can build the building we want.

Mayor Siddoway: Maybe you could obtain corporate donations. The other thing is you gain eighty thousand dollars a year. How many years would we have to delay this how many years would we have to wait?

Chairman Blackman: We would have to wait seven more years. We are anticipating this year and next year, we are still drawing money, and we won't take the loan out until we need it.

Kent Harker: You mentioned that the room will hold 140 people.

Chairman Blackman: With 1,000 ft. taken up by a stage and such.

Kent Harker: Clearly this new plan will not hold as many people as our current facility holds.

General Manager Sessions: The new building will hold 3 tables less than our current facility.

Don Azevedo: I guess most people can't visualize 1,500 open sq. feet. It would be nice to be able to do that. Maybe take the existing barn and tape off 1,500 sq. feet and say it is all open though, no poles no walls, etc... I think that would give people a better idea about how big that room really is.

The flow through thing is something we already deal with. It would be great to change that, but the reality is that most people can't visualize 1,500 sq. feet.

Ed Koch: Maybe you could possibly use the pro shop for a ski/snowshoe shop in the winter.

Tricha Blackman: If we postpone this, what would be the feasibility of putting temporary offices by the grill so that we can vacate the old building, until we can get the building that we want?

General Manager Sessions: I have never heard that replacing the offices has been a driving force for this project. I have always understood that the barn and silo needed to be replaced was the main reason. The fact that the offices also need to be replaced at the same time is addressing another need the Association has.

Chairman Blackman: Hopefully these comments today will stimulate more input. We appreciate all the input and comments given today.

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

Account Statements: All bank accounts are balanced for the month of November and December.

Assessments

2009 Lawsuit Collection Status: 12 Lots (.6%) have not paid in full (3 foreclosures).

2010 Assessment Status: 20 Lots (1%) have not paid in full (includes 12 from above).

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

2012 Assessment Status: 86 Lots (4.3%) have not paid in full compared to 63 (3%) for the same period last year.

2013 Assessment Status: All invoices were distributed by 1/14/13. As established by the Board, payments are due by 2/28/13 and considered late if not paid by 3/31/13.

Business Activities: For the months of November and December, the allocation of \$1190.43 (27 lots X \$44.09) 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 \$85,048.60 including accumulated interest.

An overview of SVRA Financials finds the year-end Gross Profit at 2.7% less than budget, Total Expense managed to 5.1% better than budget resulting in year-end Net Ordinary Income prior to depreciation at 11.2% better than budget.

As part of the regular year-end closing of the books for the fiscal year, \$7311.47 will be transferred from the Barn/Silo Redevelopment Restricted Capital account to reimburse the Operations Checking account for expenses paid on behalf of the Barn/Silo Project and \$45,700 will be transferred from the Operations Checking account into the Reserve Golf Course Equipment account to fulfill the repayment commitment that was made in 2011 with the purchase of the Toro equipment. These transfers will bring the Operations Checking account down to the agreed upon minimum opening balance for the 2013 fiscal year. The services of David DeCoria have been contracted for 2013-2015 to perform the audit of the SVRA Financials.

Golf Operations

Kurt has moved into the office at Aspen and has already started thinking of the 2013 golf season; putting together orders of merchandise for the pro shop and supplies for golf course maintenance. He has also been working with Tallia and I on two marketing programs to be implemented in 2013; one to attract hotel guests from Star Valley and Jackson to our courses and another to develop tournament sponsorships for all of our 2013 key tournaments.

Facilities: Ernie and Kurt have been working together to develop and maintain our cross country skiing trails and sledding hill at Aspen. They have placed signs along the course to better identify the trails and keep snowmobiles away. The trails and sledding hill will be groomed on Monday and Friday as weather permits. Ernie now has the ice skating rink in superb condition for skaters' enjoyment. Deb will have our donated ice skates at the grill and they are available for use by those in need (no charge).

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

Carolyn Koch: How much money do we collect from snowmobile passes?

General Manager Sessions: Probably about \$400-\$450/year.

There were a lot of comments regarding enforcing snowmobiles and the difficulty the Association has enforcing them.

5. Old Business:

Chairman Blackman discussed the fee schedule and the request to lower the prices for the membership. We looked at that and we looked at the prices we have already set, and the decision was made that we already offer a bargain and we are not going to give any further "breaks" to members. The BOD is not in favor of doing any adjustments to the fee schedule at this time.

Ed Koch asked, if someone just wants to ride in a cart and not play golf are they charged a fee?

General Manager Sessions answered that no there is no charge to ride along.

6. New Business: None stated

7. For the Good of the Order:

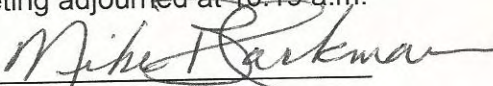
Ed Koch mentioned that he felt the area just above the Tennis courts would make a fantastic place for a band shell if you will. You could work with the Star Valley Arts Council and have an ideal place for a concert, outside show or meeting.

Vice Chairman Denney mentioned that Mr. Koch's idea was a great idea to add to his Master Plan.

8. Adjournment:*

- Vice Chairman Denney made a motion to adjourn.
Director Kovach seconded the motion.
Motion passed unanimously.

Meeting adjourned at 10:19 a.m.



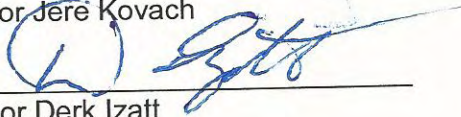
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