

Star Valley Ranch Association
Board of Directors Meeting
November 20, 2010
9:00 AM Town Hall

Attendance

Curtis Cheshier: Chairman
Jere Kovach: Vice Chairman
Ron Meeks: Sec/Treas-via phone
Gary Braun: Director
Paul Weber: Director
George Toolson: Director-via Skype
Kathy Daulton: Director

Call to order:

Chairman Cheshier called the meeting to order at 9:00 AM. Chairman Cheshier stated that there was a Quorum and called for the Pledge of Allegiance.

1. Adopt Agenda:

Vice Chairman Kovach made a motion to adopt the Agenda.

Director Braun seconded the motion.

Motion passes unanimously.

2. Approval of October Minutes:

Director Braun made a motion to approve the minutes for the October 2010 Board Meeting.

Director Daulton seconded the motion.

Motion passes unanimously.

3. Standing & Special Committee Reports

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

As you will see in today's reports we had a very successful end to our golf season. Your staff and board have been busy working on several projects. We continue to pursue the water board approval for the changes we've requested in our alternate point of conveyance. We are working towards getting a grant request before the state for the Barn Silo improvement project. As well as getting started working with the architect to formulate ideas as to what a remodel of the facilities might look like.

As we know with this time of year many of our ranch members will leave for a warmer climate. In light of that and in keeping with our normal winter schedule I would entertain a motion that we cancel our December board meeting.

Sec/Treas moves to cancel the December Board Meeting

Director Daulton seconded the motion

Vote passes unanimously.

Rex Meikle passed away recently; he was the first chairman of the Board. He was very active in the Ranch. I am sure that he will be extremely missed.

That concludes my report.

B. Utilities Report: No report given

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

Since this is the last meeting of 2010, I thought it would be worthwhile to review the evolution of the year. Kirk Sessions became GM on January 15th and Tallia Booker took over as Events and Member Services Coordinator on August 2nd. This completed the office transition that began with Kathy Schooner becoming the Accounting and Business Information person at the end of August, 2009.

The fourth quarter of 2009 and all of 2010 have been a time of transition from an extended period of loose financial control to the current “buttoned down” reconciled financial control that this association deserves. At the end of this year, we will have a full financial year of accurate history on which to build. The long term goal is to have a rolling 5 year history that allows budgeting to be based on “smoothed” data.

Let's look at what 2011 will bring:

In a few minutes we will be reviewing budget information with you. But first, we need to look at the Maximum Annual Assessment for 2011.

The Maximum Annual Assessment is determined using a formula:

$$(\$75) \times (\text{CPI index for July, 2010} / \text{CPI index for July, 1972}) = 2011 \text{ Maximum Annual Assessment}$$

$$(\$75) \times (218.011 / 41.9) = \$390.23$$

The Annual Assessment is determined by the board after considering both current and future needs of the Association. The Finance and Legal Committee spent a good deal of time analyzing the proposed budget. After much discussion with Kirk, the committee forwarded a recommendation to the board to accept Kirk's final budget. The board members individually studied this proposed budget and offered several changes that were incorporated. Throughout these deliberations all the persons involved kept the state of the economy in sharp focus.

Let's review the Budget for 2011.

Percentage basis our breakdown of 2011 assessment breaks down to Association business spends 53%, the Facilities spends 20%, the capital plan spends 19% and golf spends 8%.

Mr. Chairman, I move that the BOD accept the Operations Budget and the Capital Budget as presented and set the annual assessment for 2011 at \$295.00 for each of the 2016 lots eligible for assessment.

Motion was seconded by Director Braun.

Vote passes unanimously.

The \$295.00 assessment covers both operations and capital expenses. Let's review how your assessment dollars will be spent:

Operations budget income percentages there is a Total income over 1.1 million dollars. Golf operations at \$448,000, Facilities operation, \$28,000, the lounge at \$49,000, investments \$15,000 and assessments at 100% is \$594,000.

Expenses breakdown for the revenue: Association business 36%, golf 47%, facilities 13%, and the lounge is 4%.

Capital Income funding sources: 73% from Assessment dollars, and the remaining from the capital reserves.

Distribution of Capital funds: 34% goes to the community center, 9% to turf equipment, 20% to golf course improvements, 27% to recreational improvements, 2% to efficiency upgrades, 8% as an operations contingency.

John Daulton asked about an emergency fund. Vice Chairman Kovach explained there was still \$200,000 in that fund, which is not included in this report. It is in investments and marked as emergency money. Mike Blackman asked for a description of an emergency. It was decided that it needed to be written what is determined to be an emergency.

Jan Jonson wanted to know about increases in salaries. The BOD explained that the BOD has discretion of salaries. Jan thought that salaries would go down and wanted an explanation. Small increases were budgeted in on average at 2%. Key personnel that are highly underpaid have been compensated as needed. No additional employees are planned.

Ms. Jonson also asked about a cleaning line, it was described to her that all facilities are cleaned by an outside source. It was said that line items are just broken down more than we are used to, so that we can better reflect our business. So that we can break things down and better manage them. She also asked about the incentive program,

Boyd Siddoway stated there was some frustration that some events cost more than the money brought in. Is it the intent to diminish events? Where are we going as an association and are we funding it accordingly.

Chairman Cheshier stated that if an event cannot support itself, then it seems interest has fallen as well.

General Manager Sessions stated: There are key recreational activities; golf, pool, tennis, and the lounge, there will be no change in these. It is our objective to make as many of them as profitable as possible. Social activities have slowed down, with the fall of the H&E committee. With the new people committing to the H&E Committee, We are hoping to pick a few events and make them successful. Weekly events are little to no cost and will continue full force.

Mr. Siddoway explained that he would like to see more and possibly new events. He also asked why we are not charging the maximum assessment. Chairman Cheshier stated that if we had the assessment go up \$100 we would get much more grief from members.

Director Daulton stated that the budget for 2011 is based on a plan that can be explained. The Capital improvement funds set aside for the Community Center Project in 2011 are based on the needs we can foresee for this year. Once the Project Team has studied the grant process and the facilities needs and costs for an SVR Community Center, future financing needs can be determined and a new plan brought to the members.

Vice Chairman stated that the other recreational facilities besides golf are not being ignored.

This concludes the Finance and Legal report.

Director Braun stated that there have been committees that have dissolved because of lack of volunteers or obvious interest in different or new events.

D. Architectural Control Report: Director Weber gave the following report:

There has been 1 approval for a deck extension and plans for an addition to a house.

E. Golf and Greens Committee Report: Director Braun gave the following report:

The Golf and Greens Committees do not and did not meet in November however; this is still a busy time in the golf business. The mild fall weather allowed Aspen Hills to remain open until Sunday, Oct 24th and the Cedar Creek Course remained open including the pro shop and cart rentals longer than any previous year, closing down Sunday November 7th. The lowered fall prices after Labor Day also attracted an unprecedented number of both outside and inside golfers. In spite of the record breaking fall, the poor spring weather and slumping economy took a bite out of our overall 2010 golf revenue. Our annual rounds played were 17,755 which is down about 2,000 rounds. The total golf income was \$406,101 compared to \$508,324 last year. Pro Shop sales were also down. Randy King and his staff did successfully reduce the Pro Shop inventory, starting 2010 with \$55,000 in April and carrying over just \$40,000 into 2011. Our 2011 pro shop inventory carryover goal is to reduce this even lower to \$25,000.

The overall Golf course conditions were as good as they have ever been throughout the year. Kurt Richmond and his staff have completed all course winterization tasks and Kurt has identified a list of winter projects to further improve our greens operations including, equipment, personnel training and documentation, commons areas, sprinkler coverage and controls and parts inventory. The planned 2010 cart paths were all completed within budget and many of the trees from our Aspen Hills tree farm have now been transplanted to Cedar Creeks number 1 and 2 holes and a few more on the driving range to protect people and vehicles on the roadway.

Many thanks again to Randy King and Kurt Richmond and their respective staffs along with our General Manager Kirk Sessions with his leadership. Also thank you to both the Golf and Greens Committees for all their hard work and extra efforts this year. This overall team effort in 2010 has made improvements and changes that will be seen and enjoyed for years to come. We look forward to working with Randy, Kurt, Korry and Kirk in 2011 and an even better golf season.

This concludes the 2010 November golf and greens report.

Director Braun moved that the Star Valley Ranch Association Board of Directors approve the 2011 Fee Schedule reviewed and discussed at the November 16th workshop and ask that it be included in these minutes and posted on the web for members to see.

Vice Chairman Kovach seconded the motion.

Discussion was started by Director Braun that people will come if we lower our rates we will have more people. Our spring rates will be similar to what we had for this fall. Season passes will stay the same. No guests or visitors rates this year. We will offer group rates this year.

Boyd Siddoway asked if the tournaments would get the group discounts, it was stated that all groups will get these group rates.

Ed Koch asked with golf operations budget, but we don't know what we are charging for things. Chairman Cheshier stated that we know we will be charging but are not announcing that at this time. General Manager also stated that we will not penalize groups with a tournament fee this year, another marketing strategy.

General Manager stated that if we release our rates for summer now, our competitors will join in on the band wagon. We will be prepared to kick into the memorial weekend and have rates that will

continue to bring more revenue for next year. We feel comfortable that as it will be a reach, we feel we can achieve our budget objectives.

Kent Harker asked how anyone knows if they want to buy a season pass if they don't know the summer rates. Furthermore why would anyone want to drive their cart if they can use an association cart for the same price?

General Manager stated that the trail fee is not unreasonable based on our studies. It is acknowledged that if you golf 30 or more times it would be worth buying a season pass.


Director Toolson stated that he didn't mind paying the cart fee when you see \$25,000 a year in improvements to the new cart paths.

Korry Wheeler stated that even if we don't raise the prices if you golf 30 rounds then it is worth the season pass. He also stated the strategy behind the \$150 Aspen Hills pass was to help draw some more golfers to Aspen Hills. We are trying to draw more golfers from outside.


Motion passes unanimously.

Star Valley Ranch Association 2011 Recreation Fee Schedule

DAILY GOLF RATES		Cedar Creek	Aspen Hills
9 Holes Walking		TBD	TBD
9 Holes With a Cart		TBD	TBD
18 Holes Walking		TBD	TBD
18 Holes With a Cart (W/ SVRA OR PRIVATE CART)		TBD	TBD
Special Seasonal Golf Rates			
18 Holes With a Cart Spring & Fall Special		\$22	\$14
All Day Rates			
All Day Golf With a Cart Spring/Fall (Both courses)		\$35	\$35
All Day Golf With a Cart Summer (Both courses as space permits)		TBD	TBD
Juniors 18 years and younger* Rates			
9 Junior Holes Walking		\$7	\$7
9 Junior Holes With a Cart		\$12	\$12
18 Junior Holes Walking		\$14	\$14
18 Junior Holes With a Cart		\$20	\$20
Cart Rental (Must be licensed driver 16 years or older)			
9 Hole Cart Rental (per person)		\$6	\$6
18 Hole Cart Rental (per person)		\$12	\$12
Trail Fees - Private Carts Per Round			
9 Hole Trail Fee (per cart)		\$5	\$5
18 Hole Trail Fee (per cart)		\$10	\$10
Trail Fees - Private Carts Annual Fee for Both Courses			
Cart Trail Fee Season for Private Cart		\$250	\$250
Cart Trail Fee Season for Second Private Cart		\$100	\$100
Golf/Recreation Season Passes		Both	Aspen
Season Pass Single SVR (*\$50 Member Discount before 3/31)		*\$700	\$150
Season Pass Couple SVR (**\$100 Member Discount before 3/31)		**\$1300	NA
Season Pass Junior (Golf Only)		\$120	NA
Golf Punch Cards			
Golf Punch Card 20 - 9 hole rounds		\$240	NA
Golf Punch Card 10 - 18 hole rounds		TBD	NA
Golf Punch Card 10 - 18 hole rounds with a cart		TBD	NA
*Note: Aspen Hills Course Only - 12 & under free with paid adult.			



2011 SVRA RECREATIONAL FEE SCHEDULE



SWIM AND TENNIS ANNUAL PASSES		FEE
Swim Annual Pass SVR Residents		\$80
Tennis Annual Pass SVR Residents		\$80
Swim & Tennis Annual Pass for SVR Residents		\$100
Swim & Tennis Family Annual Pass for SVR Residents (pass for Family of 4 and \$50 each additional over 4)		\$200
Daily Swim and Tennis Fees		
Child (12 & under) Daily Swim or Tennis SVR Residents & Family		\$2.50
Adult Daily Swim or Tennis SVR Residents and Family		\$3
Child (12 & under) Daily Swim or Tennis Non SVR Residents		\$3
Adult Daily Swim or Tennis Non SVR Residents		\$4
Swim & Tennis Punch Cards SVR Residents and Family*		
Tennis Punch Card (20 sessions)		\$50
Swim Punch Card (20 sessions)		\$50
Swim &/or Tennis Punch Card (20 sessions either swim or tennis)		\$50
* Family includes Children & Grandchildren		
GROUP RATES		
GROUP SIZE		% DISCOUNT
24 - (6X4 Golf)		10% OFF
36 - (12X4 Golf)		15% OFF
52 & greater - (13X4 Golf)		20% OFF
Build Golf Tournaments a-la-carte. Fee Schedule to be determined. (i.e. longest drive \$50 etc.) Discontinue Tournament Entry Fees		
Snowmobile Fees		
Daily \$5	Annual \$25	

F. House & Entertainment Report: Due to technical difficulties Sec/Treas. Meeks was unable to give the following report:

The H&E Committee has been in lingo for a couple of months and thanks to Tallia Booker, Tara Wheeler and Tammy Hansen we are getting geared up for 2011. We are always looking for new committee members as our previous committee has decided to enjoy their time on the Ranch opposed to working so hard on the projects. I would like to give a HUGE thank you to Shauna Crittenden for many years of organizing the H&E Events. I also have to provide mention to Michele Byers and Carolyn Koch for their hard work on the H&E and/or Youth Committee.

That being said, **I would like to make a motion that the BOD approve Tallia Booker as co-chair of the H&E Committee and add Tara Wheeler and Tammy Hansen as members to the committee.**

Vice Chairman Kovach seconded the motion.

Motion passes unanimously.

I would like to also encourage other members to get involved and/or provide suggestions of events they would like to see.

G. DCC&R Committee Report: Director Daulton gave the following report:

The DCCR Revisions Package is now available for viewing on the SVRA website, www.svrawy.com. Look for the link at the bottom of the front page and it will open up the information below:

Win up to \$2000!

Be eligible for 4 chances to win cash in 4 drawings beginning Feb. 15, 2011.

This read-only packet gives members a chance to preview the proposed single set of DCC&Rs, the voting procedures and to learn how to be eligible to win \$2000 cash by sending your signed and witnessed ballot(s) so they will arrive before February 15, 2011. Drawings will also be held in March, April and May. See complete packet to read the rules.

Mailed copies of the packet and personalized ballot(s) for each lot owned will be mailed Monday, January 3, 2011. Watch for this message in red on your envelope: **RETURN FAST – WIN CASH**. Don't miss it!

Front page

Page 1b – Help and Win!

List of DCC&R Revisions, Changes and Directions for Voting and Mailing

Sample Ballot

Star Valley Ranch Association Board of Directors Resolution

Final Proposed Single Version of the DCC&Rs

Policy Recommendations for Revisions (if passed)

H. Master Planning Report: Director Daulton gave the following report:

After several months of gathering data for our Facilities and Common Areas Master Plan, including the information from two State Community Assessment reports in 2006 and 2010, and a prioritizing workshop facilitated by Mary Randolph, Executive Director of the Wyoming Rural Development Council on November 10th, it has become abundantly clear that the community's need for a year-round building for recreational activities and as a home for various Association functions is our top Master Plan priority.

Conversations with the Town in September to investigate a partnership to meet eligibility requirements for state and federal grants and low cost loans, the Main Street grant reports on restoring/rebuilding the Barn/Silo from Myers-Anderson Architects in Pocatello, Council/Board visits to Community Centers in Alpine and Lyman, and advice from Elaina Zempel, of the Wyoming Business Council have all been encouraging.

With Mary Randolph's assistance at the Association Board's workshop on November 11th, the SVRA Board has committed to a timeline for action so that a draft grant application can be ready for the Wyoming Business Council's review in September 2011.

A small, dedicated **SVR Community Center Project Team** is being established, and their specific responsibilities and objectives have been clearly identified. General Manager Kirk Sessions will co-chair. Town Councilman Ed Koch and Association Director George Toolson will act as liaisons and advisors to the Project Team. Monthly Town Council/Association Board joint public meetings will be held beginning in January. Mary Randolph and Elaina Zempel will continue to work as our coaches and supporters.

One objective of the Project Team is to invite technical experts to provide advice as needed. If you are a member who has skills or experience that would enhance this project, please contact Kirk Sessions at the SVRA Office to discuss being added to our **Project Experts List**.

This is an extremely important endeavor for this community and both the Town Council and the SVRA Board are fully committed to moving this opportunity forward in order to meet the needs and desires of the community.

The remainder of the Master Plan, which targets recreational facilities and common areas, will continue to be developed over the course of 2011.

4. General Manager's Report: General Manager Kirk Sessions gave the following report: **GENERAL MANAGER'S REPORT/ACTIVITY UPDATE 11/20/10**

Account Statements: All bank accounts are balanced for the month of October.

Assessments: 2009 Lawsuit Collection Status: Initially referred to Attorney – 95: 58 remain unpaid, making payments 2, bankruptcy 2 and not paid 33. Foreclosure proceedings have been approved by the Board of Directors and the attorney has begun initiating those actions. There are also 7 foreclosures by lenders in the unpaid group.

2010 Assessment Status: Of 2016 assessments invoiced, 77 have not been paid yet (3.8%). Past due notices are sent to all delinquent accounts monthly and finance charges (12%) are added to past due accounts. We continue to pursue with assertive action and get additional payments on accounts. The attorney has put all foreclosing lenders on notice, in writing, of the obligation remaining to SVRA for each/any foreclosed property.

Office Computers/Network: Productivity has improved significantly with the updates to the office computers! The office computer update is now completed to include relocation of the EZLinks server (phase1) and satellite locations were completed last week (phase 2). The final phase (3) will be done November 23rd which includes the imaging software and hardware to accommodate reducing paper files going forward and the huge inventory of paper files in storage.

Accounting Practices: Richard Brough, our Accountant has now reviewed our accounting practices/records to date and confirmed that they meet the highest standard. We will continue to meet on a quarterly basis with Richard to assure that the standards we have committed to accomplish and uphold continue to be the standard at SVRA.

Annual Newsletter: Plans are being finalized for rejuvenating the Annual Newsletter and distributing it in January with assessment notices. It will provide a retrospective on 2010 accomplishments, a glance forward at 2011 and it will include the 2011 calendar of events and recreational fee schedule.

Human Resources: The BOD has approved an incentive program for key personnel on the Ranch. I am working on formalizing wage and salary guidelines for all positions at SVRA and implementing a new Performance Evaluation format that will be implemented in 2011 for all fulltime SVRA employees.

2011 Budgets: The 2011 Operating Budget and 2011 Operating Capital Budget Plan have been completed and provided to the Board of Directors for their review and approval. The budgets this year are a product of each Dept. Manager's development, reviewed and negotiated line by line with me. The object has been to manage expenses flat or down where possible and focus on improving revenues with heavy emphasis on golf revenues. I am very pleased with the quality of the combined efforts and the results. While we have put forth a very challenging plan, we are all very optimistic that we can attain the goals of the plan! In support of the budget achievement, a Fee Schedule for 2011 has been provided to the BOD for their review and approval.

Golf: Mother Nature allowed us to set a new record in staying open through 11/7/10 with a final week bringing in over \$3000 in revenue!! The increased traffic resulting from our Falling Prices strategy has surpassed expectations in all categories this fall and we plan on opening up for spring right where we left off this fall. A full Marketing Strategy will be finalized over the course of winter to sustain our momentum throughout the 2011 season! A new Pro Shop Sales Strategy has been developed for 2011 to facilitate reduced inventory costs, enhance custom order fulfillment and improve competitive pricing capability when compared against the internet and high volume retailers.

SPECIAL: There will be a "Black Friday" sale 11/26 and a Christmas sale 12/18 at the Cedar Creek pro shop. Lots of special prices, door busters and don't forget gift certificates make wonderful stocking stuffers!! We will have a Christmas sale on December 18th.

Greens: The approved equipment purchase with Toro has been finalized with payment scheduled this month and delivery the end of March 2011. The Greens staff has completed winterizing the course, finishing this year's projects and relocating trees to the new burms from the tree farm. We will assess our success rate on this fall's transplants prior to relocating more trees next year. Thank you to the Town crew for working in partnership on this project. We both end up with some nice trees in areas where our members can enjoy them. Reference: Greens Committee Report.

This winter we are going to implement a cross country program. We have obtained a groomer for some trails. There have been some people that have offered lessons for cross country skiing and snowshoeing.

Water Projects Update: Alternate Point of Diversion: The state now better understands the goals of our petition and as a result of the assessment of the water issues LVI has been invited to join us in our petition. The pending petition has been carried over to the February Board of Control Meeting. We continue working on the fountain out front of the office to locate the supply line and install a cutoff valve.

Barn/Silo: The Association is continuing their discussions with the Town centered on partnering together in order to meet eligibility requirements for state and federal grants and low cost loans to develop through refurbishing/reconstructing the silo/barn into a SVR Community Center. A new Community Center would be designed to more appropriately incorporate the attributes that member's

desire for a year round facility and would also incorporate the retail and office needs of the SVRA. The Board, Town Council members and I have visited the Alpine and Lyman community centers to assess their facilities and acquire the knowledge of their lessons learned. Watch for more information forthcoming over the next few months on this very important opportunity as well as opportunities to provide your input on this very important project!!

On behalf of the BOD and myself, I would like to extend a special "Thank you" to the Barn/Silo task force for their commitment of time and energy getting the facility open for the this evolutionary period until a new facility can be developed.

As we embark upon this next phase of developing a SVR Community Center, I encourage our members to let their voice be heard. Please share your thoughts and input with the Board, the Project Team and me, participate in the surveys that will be forthcoming and attend the community focus groups that will be scheduled! We are at the threshold of very important and exciting achievement for SVR and I look forward with great excitement to working with our members in bringing their vision to a reality.

Members Request Fulfilled: A SVR road map, done by the county, is now available on the SVRA website to view or download.

I thank everyone for their support during my first year as General Manager.

5. Old Business: No old business was stated.

6. New Business: No new business was stated.

7. Good of the Order:

Jan Jonson asked how the bar did this season.

Vice Chairman stated that we had a slim profit, and we ended up with less inventory.

General Manager Sessions stated that it was a couple thousand dollars. We are projecting more outside members helping all aspects of our business. The association will continue to run the lounge next year.

Mr. Siddoway stated a concern that we are so concerned about profit when in reality we are to provide a service to a member. With an incentive plan will the services to members be compromised?

General Manager Sessions stated that it is not an incentive to provide high degree of customer service it is a requirement. Customer service remains my #1 priority.

Ms. Jonson said it sounds odd that we offer an incentive, when in this market it is nice to have a job.

Mr. Sessions stated that incentive programs are inherent in every corporate environment throughout the country if not the world. It is in recognition of a job well done.

Chairman Cheshier would like to thank Mr. Sessions for a job well done.

8. Adjournment:

Director Braun made a motion to adjourn.

Director Daulton seconded the motion.

Motion passed unanimously.

Meeting adjourned at 10:47 AM

Chairman Curtis Cheshier

Vice Chairman Jere Kovach

Secretary/Treasurer Ron Meeks

Director Kathleen Daulton

Director Gary Braun

Director George Toolson

Director Paul Weber