

Star Valley Ranch Association
Board of Directors Meeting
November 16, 2013
9:00 a.m.
Town Hall

Mike Blackman: Chairman
Ron Denney: Vice Chairman
Ann Earl: Secretary/Treasurer
Bob Horton: Director
Derk Izatt: Director-absent
George Toolson: Director
Robert Lujan: Director - absent

Call to order:

Chairman Blackman called the meeting to order at 9:00 a.m. and stated that there was a quorum and called for the Pledge of Allegiance.

Chairman Blackman recognized Council members Koch and Harker from the Town of Star Valley Ranch.

1. Adopt Agenda:*

Chairman Blackman added a motion to the Chairman's report.

- Director Horton made a motion to adopt the agenda as amended.
Vice Chairman Denney seconded the motion.
Motion passed unanimously.

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

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

3. Standing & Special Committee Reports:

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

It's time again to go through our budget review for the upcoming year. Our staff has done a great job preparing a budget that has taken a realistic look at our needs and wants and made some disciplined decisions to come up with a budget in a rapidly changing environment. For those of you who haven't gone through a process like this you cannot appreciate the time and thought required to come up with a detailed, realistic budget. Our budget process began in September and has gone through many internal reviews between Kirk and the supervisors and the Finance and Legal Committee and the Board of Directors. Kirk will be going over the results of his hard work and entertain any questions you may have.

Along with the Budget, the Board of Directors has been evaluating whether or not to appeal the recent Summary Judgment regarding the new DCC&R's. We have, after much deliberation, reached a decision to take this to the Wyoming Supreme Court. This decision will have a significant impact on some of the projects that we have going on right now, including the Barn and Silo Redevelopment. Bob Lujan will expand on this in his report.

At this time I would entertain a motion to reflect our decision on proceeding forward with the appeal to the Supreme Court.

- Vice Chairman Denney made the following motion: I move the decision of the district court regarding the new DCC&Rs be appealed to the Wyoming Supreme Court.
Director Toolson seconded the motion.

Board Member(s) approving the motion:

Chairman Blackman
Vice Chairman Denney
Secretary/Treasurer Earl
Director Toolson

Board Member(s) disapproving the motion:

Director Horton

Motion passed by majority vote.

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

The Committee did not meet since the last Board Meeting. The letter to the local banks to request a competitive proposal for the SVRA Member Center mortgage was issued and favorable responses were received from two banks.

A letter was sent to several local attorneys to request their resumes and willingness to serve as the SVRA attorney. Responses have been received from three.

C. Architectural Report: Director Horton gave the following report:

Permit Activity (10/19/2013 to 11/16/2013)

Approved:	2	
Fence		1
Roof Modifications		1
Disapproved:	0	
Variances:	0	
Withdrawn:	0	
In Process:	0	
Upcoming:	0	

Architectural Committee monthly meeting schedule:

Town P&Z Board	Architectural Committee
1st Wed of each month	1st Friday of each month
3rd Wed of each month	3rd Friday of each month

Meeting will be held at 10:00AM at the SVRA office.

This meeting schedule has been setup to help reduce the permit approval process.

Polices In Work:

The Architectural Committee is looking for new members. Please contact me if you are interested.

D. SVRA Barn/Silo Redevelopment Report: Chairman Blackman gave the following report prepared by Director Lujan:

The Board has received the final construction progress document set prepared by the Architect Firm of Dubbe Molder, including the recently updated (11-15-2013) bid proposal project manual. The Board will review the documentation and provide any final feedback to the Architect.

Further work on the Barn/Silo redevelopment project will be postponed, pending resolution of potential legal issues which may have an impact on the project.

- Vice Chairman Denney made the following motion: I move the Board approve the suspension of the Member Center Project until the appeal of the DCC&R decision is final.
Director Horton seconded the motion.
Motion passed unanimously.

E. 2013 Budget, Assessment and Schedule, and Fee Schedule Presentation: General Manager Sessions made the following presentation:

**SVRA Budget
2014 Fiscal Year**

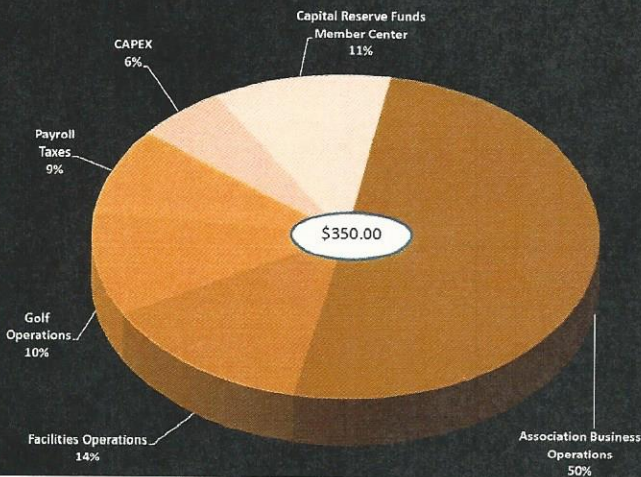


The Maximum Annual Assessment is determined using the formula:

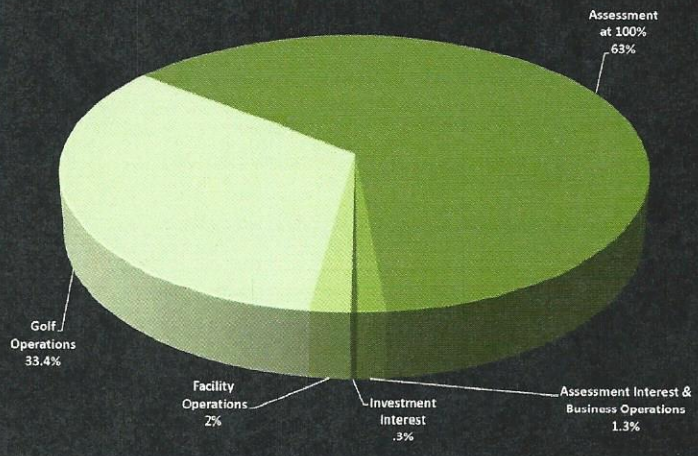
$$(\$75) \times (\text{CPI index for July, 2013} / \text{CPI index for July, 1972}) = 2014 \text{ Maximum Annual Assessment}$$

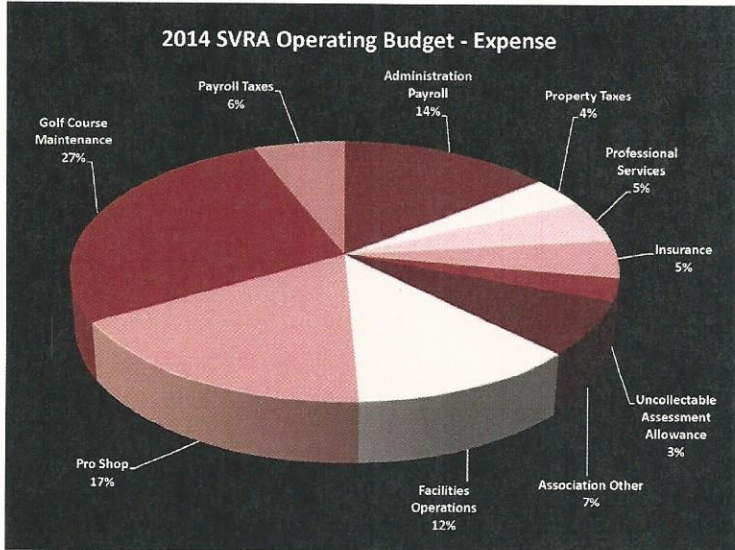
$$(\$75) \times (233.596/41.9) = \$418.13$$

2014 Assessment Dollars at Work



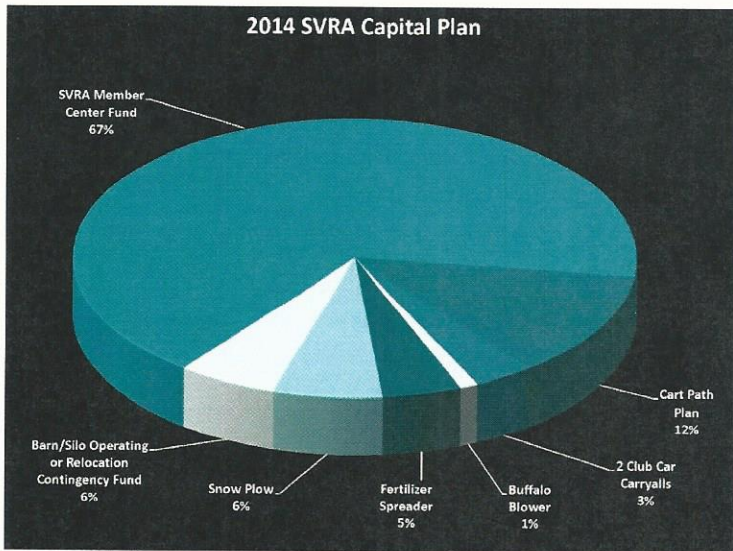
2014 SVRA Operating Budget - Income

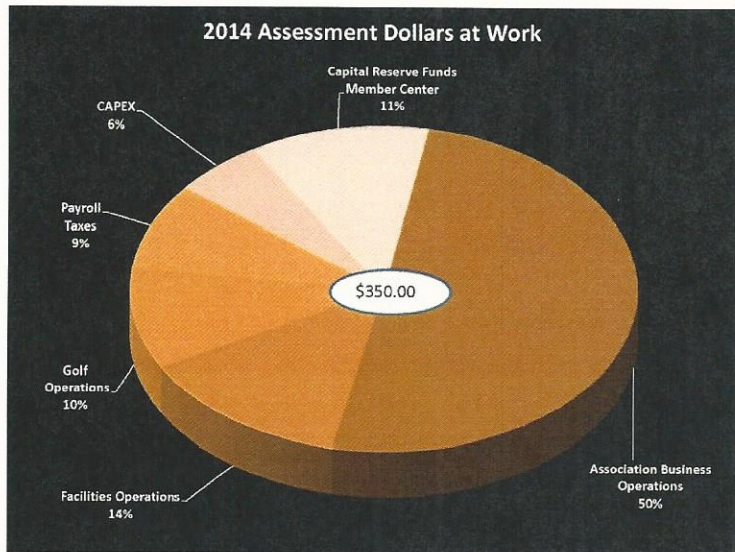




Ed Koch asked if payroll was included with each department.

General Manager Sessions told Mr. Koch that yes payroll is included in each department with the exception of payroll taxes which are clustered together.





- ### 2014 Assessment
- 2014 Assessment \$350
 - To Be Billed 1/6-10/14
 - Delinquent If Not Paid By 2/28/14
 - If Not Paid By 3/31/14, Interest On Unpaid Balance Commences, retroactive to 3/1/14



2014 SVRA GOLF PRICES

Cedar Creek -Daily Golf Rates (Per Golfer)

	Mon-Thurs	Fri-Sun & Hol	Twilight
• 9 Holes Walking or With Private Cart and Annual Trail Fee Paid	\$14	\$16	\$14
• 9 Holes With Private Cart and Daily Trail Fee Required	\$17	\$19	\$15
• 9 Holes With SVRA Cart	\$20	\$22	\$16
• 18 Holes Walking or With Private Cart and Annual Trail Fee Paid	\$26	\$30	\$26
• 18 Holes With Private Cart and Daily Trail Fee Required	\$32	\$36	\$27
• 18 Holes With SVRA Cart	\$34	\$38	\$28

Don Azevedo asked if members would pay the same amount as a non-member.

General Manager Sessions stated that yes daily rates are the same for both members and non-members.

2014 SVRA GOLF PRICES

Aspen Hills -Daily Golf Rates (Per Golfer)	Mon-Thurs	Fri-Sun & Hol	Twilight
• 9 Holes Walking or With Private Cart and Annual Trail Fee Paid	\$10	\$12	\$10
• 9 Holes With Private Cart and Daily Trail Fee Required	\$13	\$15	\$11
• 9 Holes With SVRA Cart	\$16	\$18	\$12
• 18 Holes Walking or With Private Cart and Annual Trail Fee Paid	\$18	\$20	\$18
• 18 Holes With Private Cart and Daily Trail Fee Required	\$24	\$26	\$19
• 18 Holes With SVRA Cart	\$26	\$28	\$20

2014 SVRA GOLF PRICES

Special Seasonal Golf Rates	Cedar Creek	Aspen Hills
• Spring and Fall 9 hole Special With SVRA Cart	\$16	\$12
• Spring and Fall 9 hole Special With Private Cart	\$15	\$11
• Spring and Fall 18 hole Special With SVRA Cart	\$28	\$20
• Spring and Fall 18 hole Special With Private Cart	\$27	\$19
All Day Rates		
• All Day Golf With Cart Spring & Fall / Summer (Both courses space permitting)	\$44/\$50	\$44/\$50

2014 SVRA GOLF PRICES

SVRA Cart Rental Fees Fee

• 9 Hole SVRA Cart Rental (per golfer)	\$6
• 18 Hole SVRA Cart Rental (per golfer)	\$8
• Twilight SVRA Cart Rental (per golfer)	\$2

Ed Koch asked if per golfer was per person playing golf, if you have a ride along, do they pay?

General Manager Sessions answered by saying it is per golfer, someone riding along will not be charged.

2014 SVRA GOLF PRICES

Trail Fees - Private Carts Daily Fee

- 9 Hole Daily Trail Fee (per golfer) \$3
- 18 Hole Daily Trail Fee (per golfer) \$6
- Twilight Daily Trail Fee (per golfer) \$1

Trail Fees - Private Carts Annual Fee

- Cart Trail Fee Season for Private Cart \$250
- Each Additional Private Cart \$100

2014 SVRA GOLF PRICES

Recreation and Seasonal Golf Passes Cedar Creek and Aspen Hills

- **SVRA Platinum Recreation Pass** (Golf Both Courses, Trail Fee(s), Swim, Tennis, and Driving Range)
*SINGLE \$900 (1 cart) *COUPLE \$1500 (up to 2 carts)
 - **SVRA Gold Members Recreation Pass** - (Golf, Swim and Tennis)
*SINGLE \$650 *COUPLE \$1200
 - **SVRA Gold Non-Members Recreation Pass** - (Golf, Swim and Tennis)
*SINGLE \$700 *COUPLE \$1300
 - **Season Golf Pass Jr.** (Both Courses) - \$100
 - **Season Golf Pass - Aspen Hills** - \$200
 - **Driving Range Season Pass** - Single/Family - \$50/\$100
- * \$65 per single & \$120 per couple discount on all "Recreation Passes" for 70 years of age & older at time of purchase (does not include trail fees)

General Manager Sessions indicated that the Duffer's Bucks that were part of the Platinum Pass have been eliminated based on the uncertainty of the lounge. He also mentioned that once everything is sorted out the Board can come back and make any changes to the budget as necessary to get Duffer's up and running.

Chairman Blackman noted that while there is no line item for Duffer's in the 2014, Duffer's for the last couple years has made right at \$2,000, so it would not affect the budget significantly or change the assessment.

Ron Mueller asked if season pass holders would have to pay extra to play on the weekend.

General Manager Sessions answered that no, season pass holders will not pay extra on the weekend. One of the problems that we have found is we have private groups (that consist of mostly season pass holders) that pre-book large blocks of tee times during the day. George Toolson has agreed that when the Golf & Greens Committee reconvenes in the spring we will try to handle that issue.

Don Azevedo asked if there was any discussion about the Men's and Ladies' Clubs combining days to be able to golf twice a week or going down to golfing only one day a week, if they chose not to combine. He thought that it might be a way to get more outside play.

George Toolson told Mr. Azevedo that he was welcome to come to the Golf and Greens Committee meeting in May and bring it up to the committee for discussion.

General Manager Sessions stated that he agreed with Mr. Azevedo and committed that he will continue to work on that from the pro shop perspective.

Mr. Sessions pointed out that the season pass sales are a big part of the golf income every year. He stated that he didn't want to alienate them and instead they should be embraced and we should welcome them back every year.

Ed Koch asked that the possibility of a season pass that is substantially discounted be offered for people that live a great distance away (possibly 80 miles away). He expressed that this might be a way to get people to the Ranch that wouldn't otherwise come here to golf.

Don Azevedo suggested that we should raise the price of season passes.

General Manager Sessions reminded Mr. Azevedo of the prices of season passes in other parts of the valley and reminded him, that we need to be competitive or we will not attract golfers to our courses.

Mr. Sessions stated that about 33% of our rounds are season pass holders. This year they account for \$95,000 worth of revenue when the entire golf revenue is \$367,000. That's a healthy chunk. Mr. Sessions stated that in his business experience you don't mess around with 33% of your revenue unless you have a pretty confident sense that you will at least retain it and not lose it.

Tom Gouvisis stated that he thought the low prices were good, and where we can really make some money is on merchandise sales.

2014 SVRA GOLF PRICES

Member Golf Punch Cards – Cedar Creek

- Golf Punch Card 20 - 9 hole rounds (\$280-\$320 value) **\$240**
Can be used as 9 hole or 2 punches for 18 holes
- Golf Punch Card 10 - 18 hole rounds with Cart (\$340-\$380 value) **\$280**

Special Note: Both Courses - Under 16 years old, play free with paid adult

2014 SVRA SWIM AND TENNIS PRICES

Swim and Tennis Annual Passes	Fee
• Swim Annual Pass	\$90
• Tennis Annual Pass	\$90
• Swim and Tennis Annual Pass	\$110
• Swim and Tennis Family Annual Pass (pass for Family of 5 and \$50 each additional over 5)	\$220

2014 SVRA SWIM AND TENNIS PRICES

Daily Swim and Tennis	Fee
• Child (12 & under) Daily Swim or Tennis SVRA Members & Family*	\$2.50
• Adult Daily Swim or Tennis SVRA Members & Family*	\$3
• Child (12 & under) Daily Swim or Tennis Non SVRA Members	\$3
• Adult Daily Swim or Tennis Non SVRA Members	\$4

***Special Note: Family includes Children and Grandchildren**

2014 SVRA SWIM AND TENNIS PRICES

Swim and Tennis Punch Cards	Fee
• Tennis Punch Card (20 sessions)	\$50
• Swim Punch Card (20 sessions)	\$50
• Swim &/or Tennis Punch Card (20 sessions either swim or tennis)	\$50
Snowmobile Fees	
• Daily Permit	\$5
• Annual Permit	\$25

Ed Koch stated that he had heard that there was some discussion on providing members with free swim and tennis.

General Manager Sessions stated that there were extensive discussions to that affect and the Board determined that that would not be the case this year.

Chairman Blackman stated that not this year but it would probably be discussed a lot next year.

General Manager Sessions stated that in order to do that you would have to plan on losing about \$10/lot in revenue.

Don Azevedo said that the thought could also be that instead of taking \$40 for the building fund, you could take \$30. He stated that he felt like we were punishing families. He said golf is cheap based on our fees, and we shouldn't punish the rest of the folks.

Carolyn Koch asked how many people actually pay the snowmobile fees and how do you enforce it.

General Manager Sessions stated that there is really no way to enforce it. When we are out grooming we try to make contact and remind them that a permit is required.

SVRA 2014 BUDGET AND ASSESSMENT APPROVAL



Budget Adoption Motion SVRA Board of Directors Meeting November 16, 2013

I move that the Operating Budget (\$1,120,341.00 income, \$999,513.46 expense), Capital Budget (\$120,827.54), Fee Schedule and the Proposed Assessment (\$350 per lot) as just reviewed be approved.

- Vice Chairman Denney made the following motion: I move that the Operating Budget (\$1,120,341.00 income, \$999,513.46 expense), Capital Budget (\$120,827.54). Fee Schedule and the Proposed Assessment (\$350 per lot) as just reviewed be approved.
Director Toolson seconded the motion.

Board Member(s) approving the motion:

Chairman Blackman
Vice Chairman Denney
Secretary/Treasurer Earl
Director Toolson

Board Member(s) disapproving the motion:

Director Horton

Motion passed by majority vote.

**Assessment Collection Schedule
SVRA Board of Directors Meeting
November 16, 2013**

I move that the proposed Assessment Schedule as detailed in the prior presentation, initial mailing between January 6 and 10, 2014, to be considered delinquent as of February 28, 2014, and if not paid by March 31, 2014 interest on the unpaid balance will be accrued effective March 1, 2014, be approved.

- Vice Chairman Denney made the following motion: I move that the proposed Assessment Schedule as detailed in the prior presentation, initial mailing between January 6 and 10, 2014, to be considered delinquent as of February 28, 2014, and if not paid by March 31, 2014 interest on the unpaid balance will be accrued effective March 1, 2014, be approved. Director Horton seconded the motion. Motion passed unanimously.

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

Assessments

2009 Assessment Status: 10 Lots (.5%) have not paid in full (2 foreclosures).

2010 Assessment Status: 16 Lots (.8%) have not paid in full.

2011 Assessment Status: 24 Lots (1.2%) have not paid in full.

2012 Assessment Status: 63 Lots (3.1%) have not paid in full.

2013 Assessment Status: 112 Lots (5.6%) have not paid in full. There are currently 11 foreclosures that we are aware of on the Ranch.

Business Activities: For the month of October, the allocations of \$360.00 (9 lots X \$40 for each assessment paid) and for the 2012 calendar year Assessments \$40.09 (1 lot X \$44.09), were transferred from the Operations Checking account into the Restricted Capital account for the Barn/Silo Redevelopment. These transfers bring the account balance to \$155,084.60 including accumulated interest.

An overview of SVRA Financials for 2013 finds the YTD October Gross Profit at budgeted level, Total Expense at 5.9% better than budget, resulting in year-to-date Net Ordinary Income prior to Depreciation at 25.3% better than budget. Current cash assets (YTD October Balance Sheet) Total \$1,307,374. We fully expect better than budgeted performance at year's end.

Golf Course Maintenance: All of the yardage and tee box markers purchased in 2012 have been installed and all purchases from 2013 have been ordered for a spring 2014 delivery.

Facilities: All facilities have been winterized to avoid winter damage. As weather permits, the ice rink and cross country and snowshoe trails will again be part of the winter recreation opportunities provided by the Association.

Ed Koch reminded everyone that the Town of Star Valley Ranch will be breaking trails out on Fox Run Park this year as well.

5. Old Business: None stated.

6. New Business: None stated.

7. For the Good of the Order:

Ed Koch encouraged everyone to sign up for Lincoln County's Code Red a community notification system. Sign up is available on the Lincoln County website.

Bob Meikle said, "I have observed firsthand the time and sacrifice each Board member dedicates to make good decisions for the residents of Star Valley Ranch. I am not questioning the integrity or motives of any Board members, legal counsel or the management of our wonderful common areas."

His stated that his comments were pertaining to legal matters that Jeffrey Strother of Boise, Idaho, addressed to Board Chairman Mr. Blackman.

Mr. Meikle also shared his experiences with lawsuits and mediation.

Mr. Meikle stated that Mr. Strother had no preconceived notions. Mr. Strother simply reviewed the entire summary judgment of the DCC&R lawsuit. He explained how many potential lawsuits there are out there if the Board does not follow the DCC&Rs exactly.

Mr. Meikle said, "I don't think that Mr. Sanderson is going to have a chance in the world at getting this overturned." Mr. Strother, who has a phenomenal track record, doesn't think that it will get overturned either.

Mr. Meikle stated that the most important thing is to be on the right side of the law, and to be absolutely sure that when you go to trial or an appeal that your legal research is absolutely solid. Mr. Meikle said that "we're going to lose this appeal. It is so clear that we didn't do anything that the court could even consider a win for us."

Mr. Meikle stated that Mr. Sanderson is NOT, he is trying to get around the clear language and find ways around, because we don't want to hold a vote, because we don't want to do it right.

Losing this case could cost the Association \$80,000, really easy. This lawsuit is not helping us get on with life.

Why should we risk \$80,000 for the 5% chance that we are going to win. When we lose this it's not going to be good PR to help us get the capital improvements that we want to get done.

Mr. Meikle continued, he stated that he had been at Star Valley Ranch for 20 years and that's all he has ever heard is lawsuits, lawsuits, lawsuits. We could end this now.

Chairman Blackman stated that there have been a significant amount of complaints about people feeding the deer. We really want to discourage people from feeding the deer. Not only does it provide a potential hazard to the deer but to our families. As we bring the deer down the predators will come down.

Don Azevedo said that he appreciated that the Board has made the decision to pursue different legal counsel.

The dirty 30 is a term representing several members of the Ranch. This group has brought lawsuits against the Ranch because of the Board's ability to follow the rules. These people did the right thing for the Association. They are not "dirty" and there are more than "30". They are top quality folks that want what's best for most of the people on the Ranch.

I think that we have an opportunity, I appreciate that the Board voted to hold off on the Barn/Silo project. He stated that he believed that had the Board continued on the same path, would've ended up in another lawsuit. There are several pieces of it that I think we are really borderline or quite possibly breaking the rules that the Articles of Incorporation and By-laws have set forth. Why not at this point don't we sit down with the Mayor and Town Council and work together to develop a community center that benefits everybody?

JC Colley wanted to know why are you doing this when the odds are so greatly against it.

Chairman Blackman stated that quite frankly the ruling contradicts a previous lawsuit that we had that. That is part of the reason we would like to continue this.

Director Horton stated that he has expressed your same concerns to the Board. What your saying has been brought to the Board and has been discussed.

Mr. Meikle asked if Mr. Sanderson that will be handling the appeal or will it be a new attorney?

Chairman Blackman stated that "We don't know."

8. Adjournment:*

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


Meeting adjourned at 10:36 a.m.



Chairman Mike Blackman

Vice Chairman Ron Denney

Secretary/Treasurer Ann Earl



Director Bob Horton

Director George Toolson

Director Derk Izatt

Director Robert Lujan