

Star Valley Ranch Association
Board of Directors Meeting
October 19, 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

Call to order:

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

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

1. Adopt Agenda:*

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

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

- Director Lujan made a motion to approve the September 2013 Board Meeting Minutes as written.
Director Toolson seconded the motion.
Motion passed unanimously.

3. Standing & Special Committee Reports:

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

With this being the last meeting that we will have all of our directors here I would like to take this time to thank them for the dedicated service that they have put in to the Association. These people have put in more time than probably anyone of you know trying to serve the members of the Association. I'm sure that the high pay is not the motivator for these people. They truly care about the membership and making Star Valley Ranch a better place to live. I've seen them take to heart the comments they get from everyone who talks to them and the way they try to weigh each comment with the overall objects of the vision of the association, "to provide and promote well maintained facilities and promote affordable recreational and social opportunities for its community under the provisions of the DCC&R's". They do not act in a vacuum, they talk matters over with each other and get technical and legal advice whenever necessary.

Each Director has responsibility for at least one committee and some have multiple responsibilities. Even when they are away from Star Valley Ranch on vacation or other reasons, they support the other members by calling in for workshops, special meetings and Board of Director's meetings. Their directorship is a full time responsibility for them and they take it seriously.

As the Member Center project comes to fruition, I think this dedication will become even more evident in a facility that truly serves the community and is delivered on budget.

I would at this time like to again thank them and applaud their diligent work before they leave the area for the winter.

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

A committee meeting was held on October 16, 2013. The 2014 draft SVRA budget was presented to the committee for review by the SVRA General Manager, Kirk Sessions. Board comments are due to Kirk on October 23, 2013. The consumer price index for July 2013 was research and determined to be 233.596. Using the guidance established in SVRA Operating Policy 1.3.1, "Basis and Maximum of Annual Assessments," the maximum annual assessment for 2014 is \$418.13. This was presented to the Board of Directors at the October 17, 2013 workshop. Follow-up briefings with three banks in Afton and Thayne were held on October 16, 2013. The current interest rates for commercial construction loans appear to be slightly lower than last year. The committee has drafted a letter to the banks to request a competitive proposal for the SVRA Member Center mortgage, and this draft letter has been provided to SVRA Board for comment. It should be issued next week. A CD valued at approximately \$114,000 will mature in January 2014. Given recent past history on CD rollovers, the expected interest rate for CDs is now approximately 0.2%. Given the cost of early withdrawal of funds, the committee recommended this to the Board that this CD be cashed out, given the probable need for the funds for the Member Center early this spring.

The Board of Directors has received a formal letter on behalf of an owner regarding his interpretation of the DCCRs regarding use of the annual assessments and the money made available from the sale of the Green Canyon water tank for funding the proposed Member Center. This input is being considered, although the Board has received legal opinions that the SVRA approach is appropriate.

The second amended decision regarding the Daley vs. the Star Valley Ranch Association regarding the DCCRs was signed and filed on October 1, 2013. This decision was ruled for the plaintiffs. The Board of Directors has not discussed further action since that date. The original eleven DCCRs for the 22 Star Valley Ranch Association plats have been posted on the web site and the revised set of DCCRs were removed. A letter was mailed to all owners of lots in the SVRA.

Regarding the Ainslie lawsuit regarding fencing, the court has ruled in favor of the SVRA. We need to prepare the draft motion for summary judgment .

This completes the SVRA Finance and Legal Committee Report.

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

Permit Activity (8/23/2013 to 9/21/2013)

Approved: 4	
Update Garage Door	1
Fence	1
Replace Back Deck & add roof over deck	1
Roof Modifications	1

Disapproved: 0

Variances: 0

Withdrawn: 0

In Process: 0

Upcoming: 0

Architectural Committee monthly meeting schedule:

Town P&Z Board

1st Wed of each month

3rd Wed of each month

Architectural Committee

1st Friday 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.

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

D. Golf & Greens Report: Director Toolson gave the following report:

There was no regular Golf & Greens Committee meeting for the month due to some uncontrollable circumstances; Wyoming Cowboys vs. New Mexico Lobos followed by the Denver Broncos vs. Jacksonville Jaguars, followed by a 3 ½ hour delay 20+ vehicle pile-up on I-80 south of Laramie. OOPS NO MEETING.

Our new pump and motor on the Cedar Creek well is now up and running nicely. Everything has been tested and we are now ready for future seasons with low irrigation water flow.

If the temperature comes up a few more degrees, this is a great time for folks to get out and enjoy our 26 holes of Fall golfing. Some of you are now wondering --- "Did he just say 26 holes?" No, we didn't misplace the 27th hole but #15 on Cedar Creek has a surprise in store for you all. Kurt Richmond and crew are now just finishing up the new elevated approach to the green, and their work turned out really nice. This new face lift will make quite a difference in how the golfer plays the hole in the future.

There were a few extra dollars in the 2013 Trail Fee Fund which also has been put to good use. Jeff Earl has smoothed out all of the pot holes between the #4 green and the #5 tee box at Cedar Creek. You can now have a sip of your favorite beverage on this path without the chance of wearing it. Thanks Jeff!

Finally, as we wrap up another season and start to put all the equipment to bed for the winter, should you happen to see Kurt Richmond or his staff members, take time out to give them a pat on the back and a big "Thank You" for their continual work maintaining and improving these two fine golf courses we all own.

"Hit Em Straight"

E. House & Entertainment Report: Secretary/Treasurer Earl gave the following report:

The last upcoming event for the 2013 season is the annual Trunk or Treat, scheduled for Halloween Night, October 31st. We are still looking for volunteers to help with this fun event.

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

The Board has finished their review of the final construction progress document set prepared by the Architect Firm of Dubbe Molder. The Board has provided their feedback to the Architect to be incorporated into the final construction document set which will be used for the solicitation of bids.

The next steps in the process, prior to the removal of the Barn/Silo, will be to complete a final review of the revised construction documents set (when completed by the Architect Firm), acceptance of bid solicitations, and solicitation of a loan agreement with the payments falling within the acceptable limits of the current annual assessment allocation for the project.

There are several other issues which are still be addressed

Board members met with the Town of Star Valley Ranch, and are addressing the anticipated costs for water hookup fees for both the culinary and fire suppressant needs of the new building.

The Board is also addressing the issues of the location of a temporary pro shop and bar. It is anticipated the pro shop will be located at the current maintenance shop site, during the construction process. The location for a temporary bar is still to be determined.

The new metal building, located behind the maintenance building site, is in the process of being erected. It will be completed in the next couple of weeks. The building will be used for storage during the construction process.

- Director Lujan made the following motion: I move, upon the Board's approval of the finalized construction documents, prepared by the Architect firm of Dubbe Moulder; the Board proceed with the solicitation of bids for the construction of a new Association Member Center.

Director Toolson seconded the motion.

Board member(s) approving the motion:
Chairman Blackman,
Vice Chairman Denney,
Secretary/Treasurer Earl,
Director Toolson,
Director Lujan

Board member(s) disapproving motion:
Director Horton.

Motion passed.

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

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: 25 Lots (1.2%) have not paid in full.

2012 Assessment Status: 64 Lots (3%) have not paid in full.

2013 Assessment Status: 124 Lots (6.2%) have not paid in full. There are currently 9 foreclosures that we are aware of on the Ranch.

Business Activities: For the month of September, the allocations of \$240.00 (6 lots X \$40 for each assessment paid) and for the 2012 calendar year Assessments \$132.27 (3 lots 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 \$154,628.01 including accumulated interest.

A Draft of the 2014 Operating and Capital Budget has been provided to the Finance and Legal Committee and to the Board of Directors for their review and input. The final budget will be presented at the November Board of Directors Meeting.

An overview of SVRA Financials for 2013 finds the YTD September Gross Profit at slightly less than budgeted levels (.3%), Total Expense at 6.3% better than budget, resulting in year-to-date Net Ordinary Income prior to Depreciation at 16.1% better than budget. Overall business results are tracking very close to last year with minor exceptions and we anticipate budget objectives will be met for all areas barring any unforeseen circumstances (some better weather this week should help too!). Current cash assets (YTD September Balance Sheet) Total \$1,550,221. Of that amount, \$893,948 represents the current cash committed to the SVRA Member Center development project. The remaining cash assets represent various Reserve funds, a \$200,000 Emergency Fund and Operating Funds.

Golf Operations

Pro Shop: See Golf and Greens Report

Fall rates in effect and 25% off sale in the Pro Shop until closing 10/31. Aspen is closed.

Golf Course Maintenance: See Golf and Greens Report

Facilities: The golf course restrooms will continue to remain open as long as weather allows. The barn restrooms will close with the closing of the course on 10/31. Ernie has been assisting those that purchased keepsakes from the End of an Era Dinner and Silent Auction. The dinner raised \$1,351 after expenses (including the 50/50 raffle, won and then donated by Mike Blackman), the Silent Auction raised \$2,513.00, and the Magical Mystery Tournament auction raised another \$345 to total \$4,209; all of which will go toward the redevelopment of the SVRA Member Center. Many thanks to all of those that supported these fundraising efforts!!

Duffer's: Will remain open until Sunday 10/27. Watch your e-mail for our annual close-out sale on any remaining inventory. As a special note, the bar top from Duffer's will be removed and reinstalled in the new bar at the SVRA Member Center!

5. Old Business: None Stated.

6. New Business: None Stated.

7. For the Good of the Order:

Boyd Siddoway (13011) – “Will you distribute the budget (Draft) prior to it being approved by the Board so that members can have a chance to look at it and ask questions before the Board approves or disapproves it?”

General Manager Sessions stated that yes, we could make that available.

Mr. Siddoway stated that a summary of the budget would be sufficient. He was interested in the House and Entertainment budget. He was concerned that the Association continues to put a lot of money into Golf and House and Entertainment seems to get short changed, because of this certain events were not able to be held at the Ranch this year. The events he was concerned about were the Star Valley Arts Council “Shakespeare in the Park” and a circus.

Mr. Siddoway also asked who were the members of the Finance & Legal Committee. Vice Chairman Denney stated that he was chairman and Derk Izatt was co-chair, with additional members being, Ernie Norris and Bob Saunders.

Chairman Blackman stated that the H&E budget over the past couple years has been significantly more than in the past.

General Manager Sessions stated that yes, the H&E budget has been significantly higher since he started his position as General Manager. He also stated that the H&E Budget does not include the \$6,000 budget set aside for the 4th of July.

The Shakespeare in the Park, was initially negotiated for them to come here and continually supported by myself. The Arts Council wanted Star Valley Ranch Association to fund the entire event. In discussions with Ann Earl that was denied. We did make a contribution toward the event, but there was a reluctance to fund the entire event, and for that reason they chose to take it elsewhere.

The circus had nothing to do with funding. The circus had to do with the fact that the footprint they needed was not available within the property we own. The event was provided to us on a date that was the shoulder weekend for the holiday weekend which meant that we would have a very busy golf schedule at the same time. We looked at putting the circus in the gravel driveway north of the barn, on the driving range, in the park area, and the airstrip. There was not a viable methodology to hold that circus at the Ranch. It was a discussion that was taken to the Board and the Board made the decision.

Robert Meikle (06054/06055) – #1 Our golf courses are very inefficient. We need to think about getting a golf course architect and consultant here to show us what can be done with these courses. #2 The location of the new building. There are 33 parking places for this building. There are 45 proposed parking places at the new building on the hill. For an 18-hole golf course you need 200 parking places. To stick this \$2 million facility up on that little footprint is a disaster for any future growth. If we put the main facility down on the flats we could do all sorts of things that we can't do up on the hillside.

Chairman Blackman stated that the Forest Service land to the north of the building can be used for parking in addition to the parking already planned.

Ron Mueller (17024) – I think this building should be delayed 1 year, put it to the vote of the membership at next year's annual meeting and let the members decide.

Sharon Chumley (17068) – We are inundated with lawsuits here at the Ranch. The money that we have spent on lawsuits probably could have done everything you suggested Mr. Meikle. There seems to be a constant battle between one side and another. The letter that we got, I was sad to see, three of these people on this lawsuit have been on almost every lawsuit that has been filed against the Association. There seems to be a conflict between the Town and the Association.

Both the Mayor and Chairman stated that neither feels there is a conflict.

Ann Blakley (17130) – Many of us have a sense of Town pride. I would like to see more of the positive events that happen here at Star Valley Ranch in the local newspaper.

Vice Chairman Denney stated that his wife is the Town correspondent to the paper. This year she didn't see a whole lot to write. He stated that if there are things going on (besides, birthday's, deaths, missions, etc.) please contact Katy Denney.

Chairman Blackman stated that we could do a better job at getting Star Valley Ranch in the newspaper.

Director Horton reminded everyone that the Board has workshops to discuss and make decisions that are presented at the monthly Board meeting. The workshops are open to anyone to come and he encouraged the members to attend.

Gerald Kittleson (14088) – stated that he felt the lawsuits filed against the Association have been filed because the Board does not follow the intent of the governing documents.

Robert Meikle (06054/06055) – stated that there is a clear mandate written out. The Board is just blowing it off. Your attorney is giving you bad advice. If we are going to turn this Association around, you need to slow this thing down. Hold an election and get an approval from the members, I'm not here to say you should put the barn here or there. Gerald Goulding does most of the Association's in the valley. He's fabulous. He's not a litigator. That's what your attorney is, that's how he makes his money. Hire an attorney who does everything to avert risk, and does everything to keep you out of court. That's what Gerald Goulding does.

Director Lujan stated that he personally takes offense to the comment that we are just blowing everyone off and I'll tell you why. I agree, we are not experts, I'm no lawyer. Those things are not as clear forward as everyone seems to think. A lot of it is grey a lot of it is subject to interpretation. We secure attorneys to interpret that for us. We have had more than one attorney give us an interpretation on what we could and could not do. I have no desire to do something that is illegal, or that's wrong, or that's not following the DCC&Rs. I have asked for a legal interpretation, "Are we within the realm of what we are supposed to be doing as a Board of Directors?" The advice that we are being given is yes you are going in the right and correct direction.

I, as an individual, am listening to the advice that is being given to us and that is the direction I'm going. I am not blowing folks off. Since day one when we had the election for new Board members, we stated what our objectives were. I stated upfront that my intent was to go forward and try to get this building completed. We were elected by the members to do that, so we continue to go forward.

Gerald Kittleson (14088) asked the audience for a show of hands of the people who would entertain a vote on approving the funding this facility.

Chairman Blackman stated that he didn't want to put the audience to that situation.

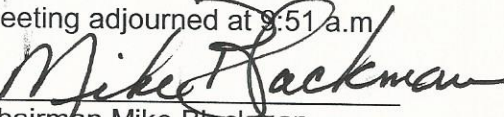
Robert Meikle (06054/06055) – stated that this is not a consensus. This is a rule in the CC&Rs and it is black and white, not grey. When you get another lawsuit and Mr. Sanderson takes you to the Supreme Court, and you end up paying all of the legal fees because you're gonna lose. You need to understand what judge Tyler did. He gave you a summary judgment, which means there was not one issue in your case that needed to be litigated. He was able to go to the book of the law and say you were wrong on every point. If you buy into the idea of going to the Supreme Court, when you lose at the supreme court you are going to pay all of the legal fees.

Gerald Kittleson (14088) – stated that he thanked the Board for putting the letter out telling the membership about the lawsuit.

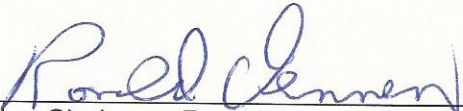
8. Adjournment:*

- Director Toolson made a motion to adjourn.
Secretary/Treasurer Earl seconded the motion.
Motion passed unanimously.

Meeting adjourned at 9:51 a.m.

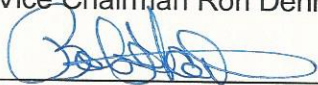


Chairman Mike Blackman



Vice Chairman Ron Denney

Secretary/Treasurer Ann Earl



Director Bob Horton

Director George Toolson

Director Derk Izatt

Director Robert Lujan