

Star Valley Ranch Association
Board of Directors Meeting
September 18, 2010
9:00 AM Town Hall

Attendance

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

Call to order:

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

1. Adopt Agenda:

Sec/Treas Meeks made a motion to approve the agenda.

Director Braun seconded the motion.

Motion carried unanimously.

2. Approval of July & August Minutes:

Director Braun moved to accept the minutes for the meeting in July as amended.

Director Toolson seconded the Motion.

Motion carried unanimously.

Director Braun moved to accept the minutes for the meeting in August as written.

Sec/Treas Meeks seconded the Motion

Motion carried unanimously.

3. Standing & Special Committee Reports

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

Our recent Community Assessment by the State was very well attended by those in our association. We appreciate everyone who made it a point to attend and make our wants and needs known to the panel.

As a part of the Assessment we have had a follow up visit by Elaina Zempel with the Wyoming Business Council. As many of you may know, part of Elaina's work is to match communities with State grant money to help remodel existing

buildings and community centers. The State takes applications for this program each September.

It seems this year there were no applicants for this program.

Ms. Zempel made the trip to address our work shop earlier this month.

As a homeowners association we do not qualify for the grant program. The Town as a municipality however does qualify. Ms. Zempel explained to us how we could work together with the Town to qualify to apply for a state grant of up to one million dollars to remodel and refurbish our barn and silo complex. It seems a long term lease of the building or buildings could allow the Town to apply and yet not have to transfer ownership of the property which would require a 70% vote of the membership.

Both we as the board and the Town have inquired with our attorneys to see if a long term lease is feasible. So far all responses have been favorable. As a result your board and the town council have set a date for a joint work shop to start working out the particulars of a possible long term lease.

There are of course a lot of forms to fill out, a lot of tees to cross and a lot of I s that will need dotting. We as the board would just like to inform you we have begun the long process of trying to apply for a grant to help bring our barn and silo complex closer to the type of building that might be more of a community center for year round use and revenue.

B. Utilities Report: Chairman Cheshier gave the following report:

If you ever get involved working with the utilities of the Association, one of the first things you will be told is that you do not sell water in the State of Wyoming. We as the association do not sell water to the Town of Star Valley Ranch or anyone else. We do however rent to them the means of conveyance of this water. Therefore as you might imagine we still own the means of conveyance for the water supply for our community.

The Town water department has recently brought it to our attention that we have a problem with a zeroing box in Green Canyon. You have noticed the Town is working on several water lines around the Ranch with grant money from the WWDC. The repairs are part of a 1/3 – 2/3 matching grant program. The Towns' engineer has a plan for the repair of the Green Canyon box. Since the zeroing box still actually belongs to the Association, Forsgren engineering proposed the Association be the one to cover the 1/3 match portion for this repair.

We have a proposal for these repairs to not exceed \$10,000.00.

Therefore I would entertain a motion **that we make available to the Town up to \$3,000.00 to be used as the 1/3 match portion of the repair to the Green Canyon zeroing box, so moved by Sec/Treas Meeks.**
Motion seconded by Director Braun.
Motion carries unanimously.

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

The Finance and Legal committee met on 9/13.

We reviewed the delinquent assessments for 2010 and previous years and thanked GM Sessions for his diligent work in pursuing collection of these past due accounts.

Joe Angelovic and Kathy Daulton made a presentation on the possibility of using a raffle to encourage voting on the DCCR changes. After much discussion, it was moved by Ray Hanck, seconded by Ron Stucki, and passed unanimously that this committee recommends adoption by the BOD of the DCCR Revisions Incentive Program to improve member participation in the final approval process.

Vice Chairman Kovach made a motion to approve the designation in the 2011 Operations Budget of \$5000.00 for the raffle and \$2000.00 for additional DCCR Committee expenses.

Motion was seconded by Director Braun.

Motion passes unanimously.

Jere Kovach presented a review of the ongoing discussion of the policy for “changing the designation of use of SVRA owned property”. He reported that the hearing scheduled for 9/18 has been indefinitely postponed and that SVRA has engaged another attorney, in order to gain a second opinion on the legality of the proposed policy. This second opinion will be available to the BOD by the end of this month.

Jere Kovach presented a review of current BOD discussions with Elainia Zempel of the Wyoming Business Council on the potential of receiving a “Community Facilities Grant” from the State of Wyoming for rehabilitation of the barn-silo complex. Jim Vandel moved and Gene Root seconded that the committee recommends to the BOD that SVRA continue to pursue this opportunity for help in funding proposed improvements to SVRA owned community facilities. The August financial statements were reviewed. A discussion of the Accounts Receivable portion of the Balance Sheet defined that this committee believes a considerable portion of the finance charges from previous years needs to be written off as “uncollectible”. The GM is pursuing further refinement of this area with Richard Brough, our consulting CPA.

Other discussion took place on a variety of topics including the 2010 capital expenditures, the 2011 preliminary budget, and the reduced fees for the fall golf season.

It was agreed that our next meeting would be devoted exclusively to the development of Operating and Capital budgets for 2011.

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

One new house was approved this month.

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

Both the Greens and Golf Committees met this week and both committees are very busy this time of year. The Greens Superintendent with a reduced staff has been verticutting all the greens in preparation for winter as well as keeping up with the mowing and watering. Aspen Hills greens are all done as are most of

Cedar Creeks greens, with the balance being completed this next week. Chemicals are being procured for the course and will also be applied in the next few weeks. An air compressor will be rented and the water lines will be blown out October 18th to the 22nd. Weather dependent, the water will be turned off one to two weeks prior to this date and allowed to gravity drain.

Projects still ongoing include the planned 2010 cart paths which are all nearly completed with the number 9 Aspen Hills path, South of the cook shack still working. We will then use the \$5k to \$7k of unused 2010 cart path budget to correct a growing safety concern. That concern is the worn out asphalt path originating at the office down to the Aspen Hills number 1 tee box. The number 8 tee box at Aspen Hills with a new 3 foot 10 inch high rock wall will also be completed this fall as well as the women's new tee boxes on Cedar Creek will be aerated and filled with sand to try and soften them up.

The Greens Committee has been studying the most effective and economical solutions to returning the Cedar Creek number 13 and 16 ponds back into operation. The various options are being estimated and a budget request will be made.

On the Golf Operations side, our ytd overall rounds are still down from last year with 15,078 rounds played through Wednesday, Sept 15th. Golf and Greens income through August is \$328,984 with golf and greens expenses at \$366,574. That is a difference of about \$37,600. Total net retail sales in the Pro Shop through August are \$73,050.

Last year, 2009, we closed both Aspen Hills and Cedar Creek Pro shops on October 18th with inclement weather. This year to try and increase fall rounds and merchandise sales, we have offered extremely competitive golf fall specials and bargain sales on remaining merchandise. We remain cautiously optimistic but so far with our new fall prices and sales, we have seen significant improvement over last year. Cedar Creek is up 22% in rounds and up 58% in revenue. Aspen Hills is up 83% in rounds and up 45% in revenue since implementing the new prices Sept 2nd.

Our Golf Professional, Randy King, has also just prepared a 2010 golf season pass analysis and a SVRA Sanctioned Tournament analysis showing gross revenues and net costs. These were both discussed in the Golf Committee meeting this week with comments and further discussion scheduled for the October Golf Committee meeting. The Golf Committee is also working on a number of new and competitive ideas for the 2011 golf fee schedule and will be asking the Board for serious consideration of these changes in what we believe will be another economically challenging year.

This concludes our September 2010 Golf Report.

F. House & Entertainment Report: Sec/Treas Meeks gave the following report:

On September 1, 2010, we had a meeting scheduled to work out details for H&E budget & 2011 season. We were also planning to discuss the committee as a whole & the vision/purpose of the committee. Unfortunately the meeting was not started. We are planning to reschedule.

Upcoming events: Craft fair, not yet on the calendar; Christmas Bizarre, not yet on the calendar; Trunk or Treat, October 30, 2010. There are lots of card games, quilting & even the choir, check out the events calendar.

I would like to wish Shauna a quick recovery. The BOD recognizes how hard she works for the members & wishes her the best.
In the July 17th BOD meeting we made a motion to adopt Shauna as the chair. According to our by laws, pg 19, standing committee chairman should be a member of the BOD. So I would like to amend that motion as follows:

**I move that the motion on July 17, 2010 be amended and change Shauna Crittenden be appointed co-chair & Ron Meeks as Chair of the H&E Committee. So moved by Director Toolson.
Motion seconded by Vice Chairman Jere Kovach.
Motion carries unanimously.**

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

The final DCC&R revisions packet is 98% ready to print. Although we still have 9 months of work to go, it's with great pleasure that we introduce the DCC&R Revisions Committee members: Joe Angelovic, Chair and developer of our databases; George Toolson, director, Carolyn Thacker, Volunteers; Don Baillie, P&Z; Larry Olsen, our own devil's advocate; Kathy Daulton, co-chair and communications, Gene Root who served as our institutional memory for the process. We wish to thank every member who has attended a meeting or responded to a survey, the Board of Directors for the advice and the current and ongoing support of General Manager Kirk Sessions and Tallia Booker in the SVRA Office.

The following resolution was passed and signed by the Board:



STAR VALLEY RANCH BOARD OF DIRECTORS RESOLUTION
September 18, 2010

Whereas: SVRA has an opportunity to update, revise and adjust the current DCC&Rs to meet the life styles of residents both current and future;

Whereas: This opportunity to update our DCC&Rs exists from January 1, 2011 to June 30, 2011. Without change, our next opportunity is not until the first half of 2031;

Whereas: Revisions of the DCC&Rs require approval by the owners of 70% of the lots;

Whereas: If the revisions are not approved SVRA will have to abide by the old DCC&Rs for another 20 years;

Whereas: The proposed revisions in the DCC&Rs have been derived by finding the middle ground from input by members in meetings and surveys;

Whereas: A large majority of members responding to 3 surveys agree with the following changes:

- A single uniform version of the DCC&Rs.
- The 20-year time period between changes be reduced to 8 years.

- The approval requirement of 70% of recorded lot owners be changed to 70% of those responding.
- Allow one attached and/or one detached private garage(s) on each lot.
- Members may park or store passenger vans or pickup trucks not exceeding one-ton capacity in driveways or on a portion of a lot that is least visible from the streets or roadways. Construction equipment or operable farm equipment shall not be allowed on any Lot.
- Allow one auxiliary building with a minimum square footage of 120 square feet and door sizes no larger than 6' wide x 7' high.
- Members may use one space on each Lot for the parking or storage of recreational vehicles, motor homes, camp trailers, utility trailers, motorcycles, all terrain vehicles, boats, personal watercraft, and snowmobiles.

Whereas: These proposed revisions will update some obsolete restrictions and will increase the desirability of property on Star Valley Ranch by making it easier for residents to comply with the DCC&Rs therefore:

Be It Resolved: The Star Valley Ranch Association Board of Directors supports the recommended revisions of the DCC&Rs. Recognizing that individual desires may not be met totally by these revisions the Board urges acceptance of the compromise positions and, for the benefit of everyone, strongly encourages all members of our Association to approve the revised DCC&Rs.

Joe Angelovic discussed the first level of our volunteer HELP program:

WE CAN ALL HELP!

Help us all by reminding your SVRA neighbors, friends and relatives that their response to the DCC&R Revisions decision is critical.

1000 SVRA members responded to either the 2009 DCCR survey, the 2010 June mailing or both.

If each member who has responded to a survey will alert another member who has not responded, we can double our return and receive 70% or more of all lot owners' *Requests for Approval* within our 6-month approval period.

Although the Final Packet cannot be mailed until Jan. 1, 2011, it will be available on the website and in the SVRA Office for members to read only.

The Committee is working on an incentive program to encourage members to vote as early as possible.

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

The Wyoming State Community Assessment Team had a successful 3 days of interviews at the end of September. The number of people who attended sessions or sent comments were double that of 5 years ago. The Team's report should be in our hands within the next month and it will help give direction to SVRA's master planning process.

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

Account Statements: Once again I'm pleased to report that all bank statements are balanced for the month of July with no discrepancies.

Assessments: 2009 Lawsuit Collection Status: Initially referred to Attorney – 95: paid in full 54, making payments 6, paid but fighting attorney fees 1, bankruptcy 2 and not paid 32.

2010 Assessment Status: Of 2016 assessments invoiced and 99 have not been paid yet (5%) (Note: Of 2030, 14 lots are not assessed). Past due notices are sent to all delinquent accounts monthly and finance charges (12%) are added to past due accounts. Continue to get some response and/or payments on accounts.

Office Computers/Network: Competitive proposals have been reviewed and the Board has approved the proposed strategy and proposed capital budget to overhaul the outdated technology capabilities of SVRA businesses. I'm very confident that this will improve upon on staff productivity as well as allow us to initiate new systematic approaches to file storage/research, data base creation as well as a multitude of enhanced capabilities.

Accounting Practices: We have now met with the accountant, Richard Braugh, recommended by our auditors and established a methodology for quarterly reviews to assure that our accounting practices are of the highest standard

Pool: The pool was closed after the Labor Day weekend. While we continue to have some beautiful weather, the cold nights just make it cost prohibitive to keep the pool heated for continued operation.

Golf: This is historically the wind down to the golf season in Star Valley, however, we have initiated several fall promotions and price specials to enhance our revenues and reduce inventories. We have inventory clearance sales at both pro shops, a 10% off promotion at any SVRA business by showing your receipt from a prior purchase, and most recently, significant cost reductions in our golf prices to increase traffic, improve course utilization and fight back against the economic pressures that the country is going through. The first weekend of the price reductions have demonstrated exciting results with increases in both rounds and revenues over 2009 and even increased rounds over 2008 levels. We are looking forward with guarded enthusiasm and hopes of reversing historical fall trends of diminishing profitability.

Greens: The grounds crew has completed their evaluation of several alternative equipment vendors in anticipation of the replacement of the current equipment lease which expires this fall. Kurt and I will be exploring every option to improve staff productivity, improve course maintenance techniques and reduce equipment maintenance costs. Our final analysis will then be reviewed by a task force of the Greens Committee prior to a final proposal being sent to the BOD for approval. Kurt and his crew have been creating some new burms of dirt around Cedar

Creek holes 1 & 2 and will continue along the road of the driving range. These will be planted with trees from our tree farm this fall and with grass in the spring. The completed burms will not only add beauty and security to our course but will add to the safety of our members walking along Cedar Creek Dr.

Cart Paths: The cart paths identified for concrete replacement; #2 greenside, #18 road to the ladies tee box and greenside at Cedar Creek and the path in front of the Cook shack have been completed. Additionally Aspen Hills #1 to the tee box will be completed this month and the path between Aspen #7 green and the asphalt of #8 tee box will be graveled to correct the erosion problem there.

Bar Operations: Duffer's will be open Friday – Sunday only from 1:00 pm and will close as business warrants later this fall. Beer will be sold from the pro shop at Cedar Creek at Duffer time prices and a special \$10 per 6 pack of beer fall special has been implemented at both.

Water Projects Update: Alternate Point of Diversion: Letters have been distributed to all LVI lot owners to obtain the state required signatures. The state of Wyoming engineer adjudicated the Cedar Creek well 8/19/10 and check flow levels; all is in order.

With the completion of the water meter installation at the office we have begun getting things back in order. We will be working on the fountain out front of the office as we now know it is running off of the drinking water lines.

Barn Silo: The Main Street grant Architect has advised us that he should be wrapping up his report within the next week or two and will review it with the BOD and Barn/Silo Task force at an upcoming BOB Workshop.

Airstrip: We are working on cleaning up the landing strip entrance to be more esthetically pleasing as part of the entrance to the community. Ernie Eaton has volunteered numerous hours of his time in helping us in this project. And we very much appreciate his efforts. Additionally I am assessing the opportunity to utilize the south end of the strip as a parking/storage area for members RV's and the like.

5. Old Business: No old business was stated.

6. New Business:

Vice Chairman Kovach made a motion to approve the expenditure of \$30,000 of capital funds to upgrade the SVRA business technology capabilities as outlined by the General Manager at the 9/15/10 BOD workshop.

Motion seconded by Director Braun.

Motion carries unanimously.

7. Good of the Order:

Carol Warren questioned the BOD about the chiropractor building on the ranch, and whether he is bound by the DCC&Rs. After discussion it was decided that we should seek a lawyer's advice.

Gayland Archibald complimented the construction of the new cart paths and encouraged the board to consider set aside funds next year to continue this project.

8. Adjournment:

Sec/Treas Meeks moved to adjourn the meeting.

Vice Chairman Kovach seconded the motion.

Motion passed unanimously.

Meeting adjourned at 10:45 AM

Chairman Curtis Cheshier

Vice Chairman Jere Kovach

Secretary/Treasurer Ron Meeks

Director Kathleen Daulton

Director Gary Braun

Director George Toolson

Director Paul Weber