

Star Valley Ranch Association
Board of Directors Meeting
April 19, 2018
7:00 p.m.
Town of Star Valley Ranch Town Hall

Ron Denney: Chairman – Present via teleconference
Mike Wardle: Vice Chairman – Present
Jere Kovach: Treasurer – Present
Marsha Combe: Secretary – Present via teleconference
Bob Lujan: Director – Present via teleconference
George Toolson: Director – Present via teleconference
Donna Thompson: Director – Not present

Call to order: Vice Chairman Wardle called the meeting to order at 7:00 p.m. and called for the Pledge of Allegiance.

1. Adopt Agenda:*

- Chairman Denney made a motion to adopt the agenda.
Treasurer Kovach seconded the motion.
Motion passed unanimously.

2. Approval of Minutes for March 2018 Board Meeting.*

- Treasurer Kovach made a motion to approve the March 2018 Board of Directors Meeting Minutes as written.
Secretary Combe seconded the motion.
Motion passed unanimously.

3. Standing & Special Committee Reports:

A. Finance & Legal Committee Report: Treasurer Kovach gave the following report:

We have one situation where we have our CD for our emergency fund that is going to come up for renewal May 1 and we have historically said we wanted to keep \$200,000 in the emergency fund and we're up around \$234,000 with accrued interest over the number of years. As a Board, we talked about it and said that we wanted to go back to the \$200,000 and move the money that is accrued beyond that into our Future Needs funds.

- I move that we take all funds beyond \$200,000 from the Emergency Fund and transfer it to the Future Needs fund as the CD's expire.
Director Toolson seconded the motion.
Motion passed unanimously.

Member Clyde Cazier asked how much is in the future needs fund account and what it is.

General Manager Booker answered that the future needs fund is an account that was set up that year with our assessment. So there are 2016 lots and we take \$40.00 of your assessment and put it into this account. This account will help pay for any future needs that we have that is unexpected or that is expected. Any money that is spent out of that account will get presented at three monthly Board meetings. The balance for the future needs account is around \$132,000.

General Manager Booker added that the emergency fund is for more large emergencies! Like for a \$25,000 pump. That's why we want to have something like that to use as backup money so we never have to come and ask our membership for extra money.

Member Rand Bitter asked about the terms of the CD?

Treasurer Kovach stated that it has been in a three year CD. We looked at the interest rates that are being paid here and this one is currently The Bank of Jackson Hole the three year rate is 0.85. I did a little bit of research and there is a bank we can put it with that is paying 2.5 for three year and that's about the highest that I can find in the country. With the 2.5, they will let us take the interest on a quarterly basis out so we just keep it at the \$200,000 and it has a pretty minimal expense that you have to with drawl.

B. House & Entertainment Committee Report: Secretary Combe gave the following report:

We just had the Easter Egg Hunt! There were about 80-100 kids that attended and over 1,300 eggs were hidden this year! Everyone was sure to get lots and nobody left empty handed! Without the help of our staff and volunteers things like this wouldn't be possible! Those that helped with this fun event include Whitney Hamp, Ryan Nielson, Ernie and Heather Bigelow, Mike Wardle, and Brent Haney. I would like to thank all of those guys because it was a wonderful event!

Vice Chairman Wardle added that he has never seen 100 children go into frenzy over eggs. We divided them off into three different age groups and all the kids were lined up waiting in their group! It was a good time. If you are ever here try to come down even just to watch because it is such fun!

C. Architectural Control Committee Report: Vice Chairman Wardle gave the following report:

Since our last meeting we have three new homes, two new fences, one landscaping sprinkler system, one remodel addition, and one driveway have been approved for the Architectural Control Committee.

D. Barn Redevelopment & Cedar Creek Center Report: Chairman Denney gave the following report:

The SVRA Board has continued to work on the project to redevelop the barn and silo at the Cedar Creek golf course. Advanced conceptual drawings and a detailed cost estimate have been prepared by Greg Casperson. Engineered drawings with structural calculations are

nearly complete. A building permit request will soon be submitted to the Town of Star Valley Ranch P&Z board. Local Banks have been contacted in order to obtain estimated costs on a construction loan and permanent financing. In order to continue the project in a timely order, a motion to authorize the Board and SVRA Management to formally apply for and obtain a construction loan and permanent financing is necessary at this meeting.

- Chairman Denney made a motion that the SVRA Board be approved to apply for a construction loan/permanent financing of \$1.1 million to supplement the SVRA building fund of approximately \$800 thousand to meet the \$1.9 million dollar budget for redevelopment of the barn and silo.
Director Lujan seconded the motion.
Motion passed unanimously.

Member Clyde Cazier was concerned about not having a membership vote.

Chairman Denney stated that the loan of 1.1 million dollars can be paid with the \$46.00 per lot that they are already paying now. The current funding will cover the amount of the cost of the loan.

General Manager Booker added that we have received several legal opinions that state that because we can pay it with the normal assessment, then we don't need a membership vote.

Member Chris Riccardi stated that there is a cost of doing business. If it isn't going to raise the assessment then there is no challenge. The cost we are spending on the temporary buildings is something that can be spent on a permanent building.

Vice Chairman Wardle stated that the current building will need to be gone in the spring of next year, so we are going to replace the Silo with a new building for our facilities.

Member John Walker asked where we are going to go while the new building is under construction.

General Manager Booker answered that during construction we will move back up to our Aspen Hills Office.

Member John Walker stated that he is all for the building! Everything is getting old and is starting to wear out. The Ranch is constantly evolving. A lot of the seasonal people come to Star Valley Ranch to have a clubhouse to go entertain themselves and friends! The other building was insufficient and needed to come down. We need a place to sit down and have refreshment then go back to the golf course. In the winter time when it is time for snowmobiling, it would be nice to have a warm hot dog and cup of hot chocolate. This building makes Star Valley Ranch facilities more year-round.

Vice Chairman Wardle stated that are trying to get the Association back to what was originally built here. There was a bar and a restaurant. We are trying to bring what we used to have back to Star Valley Ranch. It is the Board's responsibility to remodel, redevelop, and replace facilities as needed. The silo was very unsafe. There was no foundation so when you went up there in a wind storm the building would move. Everything that we could think of has

been done. The best thing we could think to do was to remove the silo and replace it with a new facility. We are trying to give back the amenities that you once had. The cost has already been built into your yearly assessment so it will not cost any more than it has the previous years.

Member Clyde Cazier stated that the Association has never approved such a massive loan.

Treasurer Kovach answered that we have done it with the irrigation water line that we put in. It was a million dollar loan.

Vice Chairman Wardle stated that all the Board is trying to do is improve the facilities and improve your property value. We are trying to do it with no extra cost to our homeowners. It is built into our budget.

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

Account Statements: All bank accounts have been reconciled for March without discrepancy.

Assessments:

2009 Lawsuit through 2016: 32 Lots unpaid (1.58%).

2017 Assessment Status: 1962 Lots (97.32%) paid in full.

2018 Assessment Status: 1651 Lots (81.89%) paid in full.

2017 Assessment Collections:

The attorney initially sent out a total of 62 notices. 5 properties are currently on payment plans, 29 properties have paid in full, and 1 property has filed bankruptcy. 27 lots remain in our active legal collection process.

Business Activities: The monthly transfers for the allocations of Annual Assessments transferred from the Operations Checking account are:

- The monthly transfer to the SVRA Savings account is:
2012 - \$0 (0 lots x \$44.09 for each assessment paid)
2013 - \$0 (0 lot x \$40.00 for each assessment paid)
2014 - \$0 (0 lots x \$40.00 for each assessment paid) Total = \$0

The account balance as of 3/31/2018 is \$220,464.58 which includes accumulated interest, minus any approved expenses.

- The monthly transfer for the Major Maintenance Reserve Account is:
2015 – \$0 (0 lots X \$21.88 for each assessment paid)

2016 – \$0 (0 lots x \$12.64 for each assessment paid)
2017 – \$7.74 (2 Lots x \$3.87 for each assessment paid)
2018 – \$3,393.00 (450 Lots x \$7.54 for each assessment paid) Total = \$3,400.74

The account balance as of 3/31/2018 is \$23,496.95 which includes accumulated interest minus any approved expenses.

- The monthly transfer for the Future Needs Account is:

2017 – \$80.00 (2 Lots x \$40.00 for each assessment paid)
2018 – \$18,000.00 (450 Lots x \$40.00 for each assessment paid) Total = \$18,080.00

The account balance as of 3/31/2018 is \$132,143.58 which includes accumulated interest minus any approved expenses.

Starting this year, we are going to make 1 transfer a year per account for allocated funds. This transfer will be done at the end of the first quarter each year. I will continue to report on Assessment collection at each monthly Board meeting.

To complete our annual transfers and to catch up on any unpaid assessments from prior years we will make the following transfers:

- The 2018 Annual transfer to the SVRA Savings account is:
2012 - \$529.08 (12 lots x \$44.09 for each assessment paid)
2013 - \$640.00 (16 lots x \$40.00 for each assessment paid)
2014 - \$800.00 (20 lots x \$40.00 for each assessment paid) Total = \$1,969.08
- The 2018 annual transfer for the Major Maintenance Reserve Account is:
2015 – \$547.00 (25 lots X \$21.88 for each assessment paid)
2016 – \$417.12 (33 lots x \$12.64 for each assessment paid)
2017 – \$216.72 (56 Lots x \$3.87 for each assessment paid)
2018 – \$3,038.62 (403 Lots x \$7.54 for each assessment paid) Total = \$4,219.46
- The 2018 annual transfer for the Future Needs Account is:
2017 – \$2,240.00 (56 Lots x \$40.00 for each assessment paid)
2018 – \$16,120.00 (403 Lots x \$40.00 for each assessment paid) Total = \$18,360.00

An overview of SVRA Financials finds the March Gross Profit at 101.0% and Total Expense at 95.6% resulting in year-to-date Net ordinary income prior to depreciation at 103.7% of

budgeted levels. The YTD cash assets (3/31/2018 Balance Sheet) Total \$1,676,236.27. The summary of the financials are, as always, available on the SVRA website.

Annual Audit:

The annual audit of SVRA financials began this week. The audited financials are not expected to be ready by the Annual Report and Annual Meeting mailing. The unaudited balance sheet for 2017 will be included in that mailing. The audited financial statement will be posted on the SVRA website and available at the SVRA office once it is complete. The auditor will again present a review of the 2017 SVRA financial audit at the Annual Meeting.

DCC&R Compliance:

This month we still have 2 active DCC&R Complaints, both complaints have been turned over to the SVRA attorney for further action.

Barn/Silo Redevelopment:

Funds spent since the last Board meeting on the Barn Redevelopment and Cedar Creek Center total: \$13,073.51. This included our March & April rent of the modular building, consulting, drafting, and engineering fees, and the drop ceiling and temporary wall in the barn for the bar and pro shop.

The modular buildings are scheduled to be torn down starting May 30th to prepare them for removal on June 4th. This will allow for construction on Cedar Creek Center to begin mid-June. Cedar Creek Pro Shop will move into the south end of the lounge and the administrative offices will move back to the Aspen Hills building until construction is complete.

Facilities:

Ernie has been busy putting the ceiling and wall up in the barn. The pool deck and coping project will start on May 7th. This will ensure that we are able to open on time for Memorial Day weekend.

Golf:

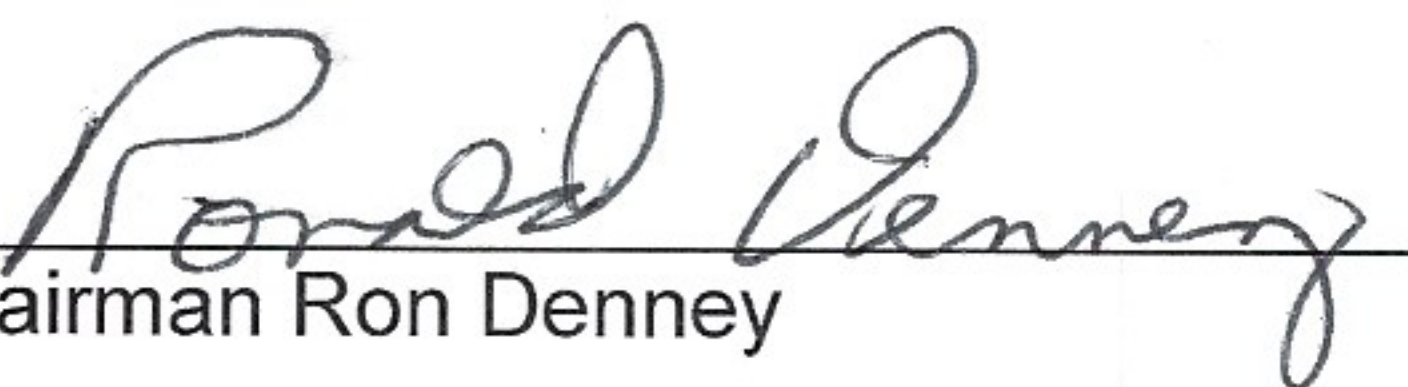
Ben and Kurt have been busy getting ready for the upcoming golf season. Watch the SVRA emails and marquees for opening dates.

Member Mike Blackman asked what we are planning to do as the town moves for their new building for our future meetings.

General Manager Booker stated that our June meeting will be in the barn and after the boards discussion we may move to the Cook Shack.

Vice Chairman Wardle added that if our building gets built, then we will have enough room to hold meetings in our new facility.

5. **Old Business:** None stated
6. **New Business:** None stated
7. **For the Good of the Order:** None Stated
8. **Adjournment***
 - Treasurer Kovach made a motion to adjourn.
Director Toolson seconded the motion.
Motion passed unanimously at 7:42 p.m.

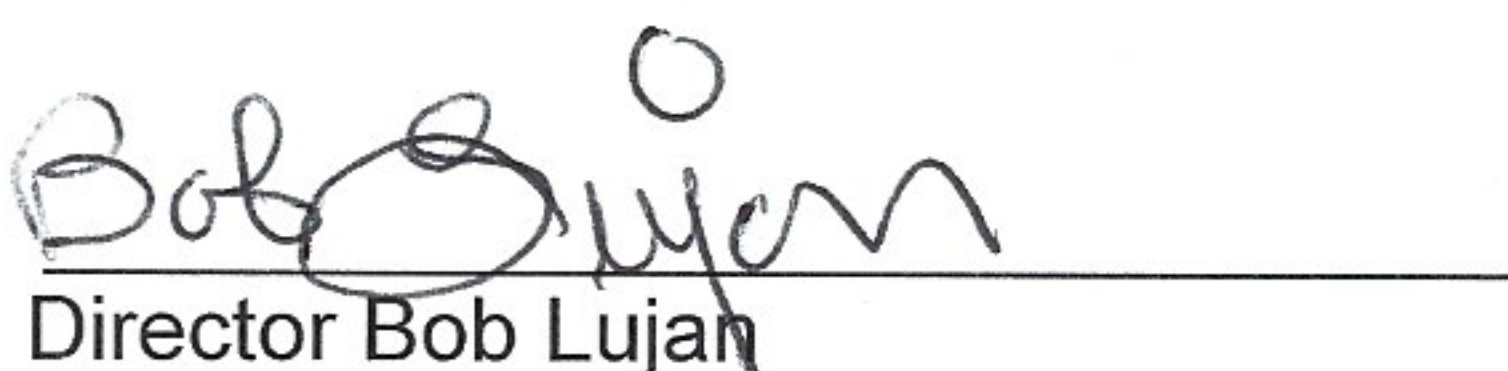

Chairman Ron Denney


Vice Chairman Mike Wardle


Treasurer Jere Kovach

Secretary Marsha Combe


Director George Toolson


Director Bob Lujan

Director Donna Thompson