

**SUN VALLEY ELKHORN ASSOCIATION
BOARD MEETING MINUTES
Wednesday, January 4, 2012 – 12:00 p.m.
Harker Center**

AGENDA BUSINESS ITEMS

1. Report on Amenity Master Plan
2. Ed Lawson's Report on Disbrow Lawsuit
3. Consider Request from Steve Shafran re: Purchase of CGE Golf Lodges Foundations
4. Review and Approve 2010/11 Audit & Consider Engagement Letter for 2012 Audit Work
5. Consider Appointment of ADC Members
6. Presidents' Meeting and Annual Meeting Assignments
7. Schedule 2012 Meetings
8. Discuss 2012 Committees
9. Review Options for Twin Creeks Ponds

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Jim Fletcher	Marlene Lowry
Pam Bailey	Darlene Kuehn
Pete Petersen	Jan Kaas
David Taylor	Chuck Williamson
Cris Thiessen	Ed Lawson
Margaret Walker	Nils Ribí & Franz Suhadolnik (City report)
	Jim Gorringer (Board candidate)
	Wayne Willich, Harry Griffith, Steve Anderson & Steve Shafran (partial)

ABSENT

Board Members
Sid Alpert

CALL TO ORDER

President Jim Fletcher called the meeting to order at 12:05 p.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with six Board members in attendance.

APPROVAL OF SEPTEMBER 23, & OCTOBER 27, 2011 MINUTES

The minutes of the September 23 and October 27th, 2011 meetings were reviewed.

MOTION: Pete Petersen moved to approve the minutes as presented. Pam Bailey seconded and the motion passed unanimously.

REPORT FROM SUN VALLEY MAYOR & COUNCIL

Former Mayor Wayne Willich was in attendance and thanked the Board for their professional participation on behalf of the Elkhorn owners and expressed his appreciation for the experience of working with the SVEA Board. Jim Fletcher responded with thanks to Wayne for attending the SVEA meetings and keeping the lines of communication open for our shared goals. Jim went on to say the increased communication between SVEA and the City of Sun Valley over the past several years is a good way to provide a voice for those SVEA owners who do not vote in Sun Valley (the majority).

Mayor Dewayne Briscoe planned to attend this meeting; however, as he had a time conflict he asked Nils to attend on his behalf. Nils reported on the following topics:

- 1) Election – The November election resulted in the City Council now including a total of three Elkhorn owners. Michelle Griffith and Franz Suhadolnik now join Nils as Elkhorn owners serving on the Council. Councilman Bob Youngman, now in his second year of service, was appointed Council President.
- 2) Bond Issue – The election to consider an approximate \$14M Bond for the first five years of the City's current capital plan, the majority of that being the rebuilding of over eight miles of roads and streets and an aerial truck for the fire department, failed by only twelve votes. The Council will be taking a hard look at this issue very soon and may be putting the bond issue out for another vote.
- 3) Cox Cable – Sun Valley users of Cox cable service have many complaints about customer service and delivery of the utility. The City is working on a franchise agreement and negotiating with Cox to set 'standards of service'.
- 4) Marketing – The City plans to continue to encourage better marketing of the area. They would like to work with SVEA as appropriate on things that make Sun Valley such a great place to live.
- 5) Mountain Rides – The City reduced the Mountain Rides 2011/12 budget line item by 8%. Though Elkhorn service is still excellent, this cut may result in a future service reduction. The City will continue to look for ways to maintain this important amenity for all.

Jim Fletcher informed Nils about recent increased complaints of dog waste on the bike paths and inquired if additional waste stations could be installed. Nils agreed to take the question back to the Council. Jim also reported that the Board would be holding its workshop within the next few weeks and would then be sharing our 2012 goals with the City.

OWNERS ADDRESSING THE BOARD

Jim Gorringe is running for election to the SVEA Board and attended the meeting to observe.

Franz Suhadolnik, owner and new City Council member, agreed that dog owners need to be more considerate and pick up after their pets. He expressed concern about the cost to the City for Mountain Rides buses that run empty and suggested there should perhaps be a small fee to ride the bus. While Franz is pleased with the current Board's transparency he is concerned about the idea of an Executive Committee and thinks the appearance takes away from that goal. He is also concerned about the number of non-resident owners serving on the Board due to likely differences in interests between full-time and part-time owners. He suggested a split in the number of Board seats between full-time and part-time owners. He asked that the Board think about ways to provide the voting members with more access to candidates running for the Board rather than only the short biography that is included with the annual meeting mailing.

Jim Fletcher explained that the current open-voting versus the previous method where the Board endorsed candidates for election has created a loss of control on the number of full-time/part-time

members. Though SVEA solicits for Board members several times a year in the newsletter and at events, very few full-time residents have stepped forward to serve their community. Pam Bailey stated that the current make up of the Board reflects the thirty/seventy split of the permanent and non-permanent owners in Elkhorn.

Harry Griffith, Sagewillow owner, brought up three issues with the Board, stating that they are not just his concerns as he has talked to many others: 1) Board of Director membership – need open solicitation. There are not enough full-time owners. Part-time Board members are not up to date on local issues. 2) Board Transparency – the Prospector Hill property issue is one example. The Board needs to get the information out sooner and solicit input before taking action. 3) Operating Costs – given the costs to owners, are they getting value, such as the number of staff, expenditures for consultants and director travel. There are different operating models and outsourcing options that should be considered. Pam Bailey responded that we have looked at various outsourcing options very carefully within the last few years and they made no economic sense. Jim Fletcher indicated the Board carefully reviews all staff salaries and at least every three years has an independent review of salary ranges for all employees.

Steve Anderson, Sagewillow owner, stated he has just retired and is living here full-time. He asked for clarification on Director Travel expense. The 2010/11 budgeted amount was \$9,000 and the actual spent was \$4,600.

BUSINESS

1. Report on Amenity Master Plan

In order to allow the new Board members who will be elected at the upcoming Annual Meeting to participate in the review and discussion of the Amenity Master Planning it was determined this topic would be deferred.

2. Ed Lawson's Report on Disbrow Lawsuit

Ed Lawson reported the Judge granted Summary Judgment in favor of SVEA. The plaintiffs have filed a Motion to Reconsider and an application for costs and fees (\$56K). We have filed an opposition to the Motion to Reconsider as well as an application for our costs and fees (\$36K). The hearing is scheduled for January 17, 2012.

3. Consider Request from Steve Shafran re: Purchase of CGE Golf Lodges Foundations

In late October 2011, the Board approved a phased remediation plan for the unfinished CG-Elkhorn owned Golf Lodges in Elkhorn Springs Phase III. CG-Elkhorn was moving ahead with completion of the approved plan when they were approached by Steve Shafran of the Sun Valley Ski Academy to buy the property. The scheduled restoration plans were halted and the property closed escrow in late December.

Steve Shafran's letter received on December 8, 2011 was reviewed and considered. Mr. Shafran is requesting the fines for failure to complete construction pursuant to the previously approved residential plans be waived. He is also asking that the Sun Valley Ski Academy (SVSA) be given until June 15, 2012 to develop building plans and go through the approval processes necessary to construct a training center on the existing foundations. Mr. Shafran joined the meeting explaining that if he was unable to meet the June 15th commitment he would move ahead to timely restore the property pursuant to the plan submitted in November 2011 by CG-Elkhorn and approved by the ADC. Lengthy discussion was held.

MOTION: Cris Thiessen made a motion to waive the fines against CG-Elkhorn and grant the SVSA until June 15, 2012 to develop plans and receive approvals to construct. Failure to meet this timeline will require the property be remediated in accordance with the previous agreement with CG-Elkhorn. Pam Bailey seconded and the motion passed unanimously.

4. Review and Approve 2010/11 Audit & Consider Engagement Letter for 2012 Audit Work.

The audit of the 2010/11 financial records has been completed by Dennis Brown, reviewed by the Audit Committee and is posted on the SVEA website. The management letter and audit were discussed.

MOTION: Pam Bailey made a motion to accept the audit as filed. Dave Taylor seconded and the motion passed unanimously.

MOTION: Pam Bailey made a motion to enter into an engagement with Dennis Brown for the preparation of the 2011/12 audit and tax returns for the fee of \$4950. Cris Thiessen seconded and the motion passed unanimously.

5. Consider Appointment of Architectural Design Committee Members

Section 8.01 of the Master Declaration allows the Board to appoint up to fifteen voting ADC members for three-year terms. There are currently eight members on the 'roster'. Between three and five members are selected from the list to serve for any given meeting. Every effort is made to select a balance of skills for each meeting with a mix of architects, landscape architects and qualified Elkhorn property owners, while ensuring there are no conflicts with the projects scheduled for review and consideration.

Three people have volunteered to serve for three-year ADC terms: Steve Cook, a local architect; Ned Hamlin, a local architect; and Jim Mulenos, an Elkhorn Property Owner. All have previously served as voting members of the ADC, understand the process and have proven to be valuable members of the Committee.

MOTION: Pam Bailey made a motion to appoint Steve Cook, Ned Hamlin and Jim Mulenos to the ADC. Pete Petersen seconded and the motion passed unanimously.

6. Presidents' Meeting and Annual Meeting Assignments

The agendas for the Sub-Association Presidents' Meeting and the Annual Meeting were reviewed and various board members assigned to report on the topics.

7. Schedule 2012 Meetings

In order to allow the new Board members who will be elected at the upcoming Annual Meeting to participate in the scheduling of the 2012 meetings it was determined this topic would be deferred.

8. Discuss 2012 Committees

Current SVEA Committees Include: Architectural Design Liaison, Audit, Capital Improvements, Communications, Executive, Finance, Golf, Insurance, Nominating, Recreation, and Sub-Associations Liaison. Discussion was held regarding the current need, activities and responsibilities of the different committees.

It was determined the Architectural Design Liaison is no longer necessary as it has been several years since any work has been needed. The ADC Manual has been recently restated and the administrative approval process expanded to improve the ease of the process and the service provided to owners.

The Capital Improvements Committee will be expanded for 2012 to encompass the Amenity Master Planning work.

The Golf Committee will be incorporated into the Recreation Committee.

The Nominating Committee will become the Governance Committee and will take in the Sub-Association Committee.

MOTION: Pam Bailey made a motion to approve the Committee consolidation and renaming as discussed. Pete Petersen seconded and the motion passed unanimously.

The committee appointments will be deferred until the newly elected board members can join in the discussions.

9. Review Options for Twin Creeks Ponds

At the September 23, 2011 meeting staff was directed to develop an updated plan for future presentation to the Board. That plan was reviewed and discussed at length.

Motion: Pete Petersen made a motion that SVEA continue to maintain the Twin Creeks ponds pursuant to the existing Pond Maintenance Policy. In addition, any owner bordering the Twin Creeks ponds who wishes to perform additional maintenance over and above the work performed by SVEA policy may apply for 'license' to perform the additional work. All work must receive prior approval of SVEA's Architectural Design Committee and any other required agencies. Cris Thiessen seconded and the motion passed unanimously.

STAFF REPORT

The report was reviewed and accepted.

COMMITTEE REPORTS

Architectural Design Liaison Committee- The ADC activity was addressed under Staff Report.

Audit Committee- Activity covered under Business Item #4.

Capital Improvements Committee- There was nothing to report.

Communications Committee- There was nothing to report.

Executive Committee- There was nothing to report.

Finance Committee- This committee's work was covered under Business item #4.

Golf Committee- Activity was addressed in Staff Report.

Insurance Committee- All coverage for 2012 is in place.

Nominating Committee- There was nothing to report.

Recreation Committee- Recreation Committee activity was addressed under Staff Report.

Sub Associations Committee- The winter Sub-association annual meetings (7) were attended and SVEA reports given by either a Board or staff member.

OTHER BUSINESS

Harker Park Renamed Patty Rosewater Park- Jim Fletcher presented the idea and following resolution for the Board's consideration:

RESOLVED, that in memory of Patricia Rosewater the 'Harker Park' will be and the same is hereby renamed the 'Patty Rosewater Park'. Patty was an extraordinary person whose incredible service, time and passion with the Association never fell short of remarkable. Her energetic spirit, loving nature and enthusiasm for life were incredible attributes that she shared while serving on the Association board and will be remembered far beyond her untimely death.

MOTION: Pam Bailey made a motion to adopt the 'Patty's Park' resolution. David Taylor seconded and the motion passed unanimously.

Harker Lounge Rental Fee- Discussion was held regarding the use of the Harker Lounge by owners for parties and other events. The current \$200 rental fee and \$100 cleaning/damage deposit were also discussed.

MOTION: Pam Bailey made a motion to eliminate the rental fee and increase the cleaning/damage deposit to \$250. Cris Thiessen seconded and the motion passed unanimously.

Special Thank You to Outgoing Board Member Cris Thiessen- Jim Fletcher presented a small gift to Cris thanking him for his tireless and beneficial work on behalf of the Elkhorn owners over the past six years. Cris will be missed by all.

ADJOURNMENT

MOTION: Cris Thiessen made a motion to adjourn the meeting at 4:25 p.m. Margaret Walker seconded the motion passed unanimously.

Respectfully submitted,

Sidney Alpert, SVEA Secretary

/ml 1-4-12 BOD Minutes

Approved 1-23-12

SUMMARY OF MOTIONS & DECISIONS

Motion or Decision	Page #
Minutes of September 23 & October 27, 2011 were approved as presented	1
Motion to waive the fines against CG-Elkhorn and grant the SVSA until June 15, 2012 to develop plans and receive approvals to construct.	3
Motion to accept the audit as filed	4
Motion to enter into an engagement with Dennis Brown for the preparation of the 2011/12 audit and tax returns for the fee of \$4950.	4
Motion to appoint Steve Cook, Ned Hamlin and Jim Mulenos to the ADC	4
Motion to approve the Committee consolidation and renaming	5
Motion that SVEA continue to maintain the Twin Creeks ponds pursuant to the existing Pond Maintenance Policy. In addition, any owner bordering the Twin Creeks ponds who wishes to perform additional maintenance over and above the work performed by SVEA policy may apply for 'license' to perform the additional work	5
Motion to adopt the 'Patty's Park' resolution	6
Motion to eliminate the rental fee and increase the cleaning/damage deposit to \$250.	6

ACTION ITEMS

Who	Does What	By When
Staff	Finalize approved minutes and post on web	1-15-12
Staff & Board	Follow up with City on additional dog waste stations & our 2012 goals	3-30-12
Marlene	Inform CG-E, Steve Shafran and Sun Valley Title of decision on Golf Lodge property	1-12-12
Jan	Monitor activity on Golf Lodge Phase III sub-lots 7-10	ongoing
Marlene	Send signed audit engagement letter to Dennis Brown; inform him future audits & mgmt letters need to be sent to Audit Committee directly	1-15-12
Jan	Inform ADC members of appointments	1-15-12
Marlene	Make changes to Committee descriptions	1-15-12
Marlene	Inform TC owners of work options on ponds	1-15-12
Marlene/Chuck	Order & install plaque in Patty Rosewater's Park	5-1-12
Marlene	Update the Harker Lounge rental documents; include article in February newsletter of change	1-31-12 2-15-12
		ASAP

/ml

1-4-12 BOD minutes