

**SUN VALLEY ELKHORN ASSOCIATION
BOARD MEETING MINUTES
March 30, 2009 – 11:00 a.m.
Harker Center**

AGENDA BUSINESS ITEMS

Follow up to 2-9-09 Workshop
<ul style="list-style-type: none"> ▪ Consider Addition to Mission Statement ▪ Long-term Goals
Amendments to Operational & Capital Funds and Principles Resolution
Consider Water & Sewer District's Request for Easement Agreement for Crown Ranch V
Consider Carol Wade's Letter Re: Elk Feeding
Provide Feedback on Style/Design of new 'Welcome to Elkhorn' Signs
Presentation of deNovo Development Planned for Independence Creek/Triumph

IN ATTENDANCE

Board Members	Counsel, Staff & Others
Jim Fletcher	Ed Lawson
Cris Thiessen	Marlene Lowry
Pam Bailey	Darlene Kuehn
Patty Rosewater	Jan Kaas
Sid Alpert	Chuck Williamson
Jack Dalieri	Richard Papallan (ES #7013) partial attendance
Stephen Smith	Janet Droebner (Highlands #1322) partial attendance
Margaret Walker	Wayne Willich & Nils Ribi (City of Sun Valley) partial
Ted Witt	Baird Gourley (City of Ketchum) partial attendance
	Ryan Kronk & Brian Pitcan (deNovo) partial attendance

CALL TO ORDER

Jim Fletcher called this meeting to order at 11:00 a.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with all Board Members in attendance.

APPROVAL OF DECEMBER 29, DECEMBER 30, 2008 & FEBRUARY 9, & MARCH 2, 2009 MINUTES

The minutes of the above meetings were reviewed. **MOTION: Stephen Smith made a motion to approve the minutes as presented. Patty Rosewater seconded and the motion passed unanimously.**

REPORT FROM SUN VALLEY MAYOR & COUNCIL

Wayne Willich, Sun Valley Mayor and Nils Ribi, Council President, were in attendance to inform the Board of their concerns over the potential consolidation of Ketchum and Sun Valley and the petition that is being circulated by One Community One Town. They identified several areas where Sun Valley would be negatively impacted if a consolidation/merger was passed by the voters. Wayne also explained the current mutual aid agreement between Sun Valley and Ketchum for the aerial tower fire truck and ambulance service.

Baird Gourley, Ketchum City Councilperson, joined the meeting to provide his views on the proposed consolidation. He stated that although he cannot recommend a merger to his constituents at this time, it is his opinion is that from a purely economical basis the merger probably makes sense.

Following these two separate discussions the Board agreed that SVEA will send a letter to all members outlining the facts that are believed to be detrimental to Elkhorn owners encouraging them to not sign a petition that would place this topic on a ballot.

STAFF REPORT

The report was reviewed. Discussion was held regarding retrofitting the pools and hot tub facilities to meet the requirements of the Virginia-Graeme Baker law. **MOTION: Pam Bailey moved to approve the costs to bring all facilities into compliance. Stephen Smith seconded and the motion passed unanimously.**

BUSINESS

1. Follow up to 2-9-09 Workshop
 - a. Consider Addition to Mission Statement

Review of the existing Mission Statement during the February Board Workshop generated discussion as to whether or not language should be added to address the enforcement responsibilities of the Board. Patty and Margaret presented their draft language for consideration at this meeting. Following discussion the Mission Statement was adopted as noted below:

Sun Valley Elkhorn Association Mission Statement

The mission of the Board and Staff of the Sun Valley Elkhorn Association shall be to maintain and enhance the quality of life in Elkhorn by:

- Providing excellent facilities, amenities and accompanying services.
- Prudently managing the finances of the Association.
- Proactively keeping members well informed of issues affecting them and the broader Elkhorn community.
- Preserving the beauty of Elkhorn by guiding the design of attractive residences and landscaping and by protecting Association-owned land.
- Assuring compliance with the approved rules, regulations, and governance policies.

MOTION: Patty Rosewater moved to accept the Mission Statement as amended. Sid Alpert seconded and the motion passed unanimously.

- b. Long-Term Goals

The goals and objectives for 2009 were discussed during the February Workshop and it was determined that all would give thought to their ideas and bring them along with a suggested level of importance to this meeting. Discussion resulted in the following priorities with a #1 being most important:

Facilities & Open Space

Continue Open Space Willows Maintenance / Wildfire Danger Mitigation	1.5
Improve Existing Village Tennis Center Facility	2.1
Complete Mapping of Elkhorn Trail System	2.2

Develop New "Welcome to Elkhorn" Entrance Signs	2.5
Complete Open Space Land Usage / Policy	3.0

Communications

Continue Proactive Membership Communications	1
Continue Proactive Interaction with Sub-Presidents	2
Continue to Improve Interaction with City of Sun Valley	2
Ongoing Website Development	4

Finances

Manage SVEA Budget Aggressively and Proactively	1
Actively Manage Cash Assets	1
Review Capital Reserve Analysis and Projections	2

2. Amendments to Operational & Capital Funds and Principles Resolution

The 'Recommendations to Management' letter that was received in conjunction with the 2008 audit suggested our Resolution regarding the Operational and Capital Funds be reviewed. Our auditor, Mark Brady, has explained that IRS tax laws generally do not support the use of capital funds for operational purposes. For that reason it was suggested that existing language allowing capital funds to be used for unexpected operational shortfalls be deleted from the resolution and the \$25k operational surplus be increased to \$35k. The proposed amendments to the resolution were considered. **MOTION: Pam Bailey moved to accept the proposed amendments as presented. Stephen Smith seconded and the motion passed unanimously.** The amended document follows:

**SUN VALLEY ELKHORN ASSOCIATION, INC.
RESOLUTION
OPERATIONAL & CAPITAL FUNDS
AND PRINCIPLES**

Whereas the Sun Valley Elkhorn Association experiences two types of expenses in its operations, be it resolved that Sun Valley Elkhorn Association maintenance funds shall henceforth be categorized, collected, deposited and expended out of the following two sub accounts:

1. Operational Account. This account shall be funded with regular semi-annual assessments and shall contain funds needed to run the ordinary operations of the Sun Valley Elkhorn Association on a day-to-day basis. The amount to be collected and contained in this fund shall be determined by the Board of Directors through the annual operational budgeting process and shall be collected in the fashion prescribed by the Master Declaration governing Sun Valley Elkhorn Association.
2. Capital Account. These funds shall be for the purpose of repairing, maintaining or replacing existing capital assets, or for the purchase of capital assets and shall be funded through a regular semi-annual capital assessment. The amount to be collected and contained in this fund shall be determined by the Board of Directors through the annual budgeting process which takes into account the Capital Component Replacement Analysis (Capital Reserve Study) and shall be collected in the fashion prescribed by the Master Declaration governing Sun Valley Elkhorn Association.

SVEA Budgeting Principles -

1. Annual Operating Budget, Annual Capital Budget, and funding for Long Term Capital Purchases are funded out of annual dues.

2. A \$35k surplus should be maintained in the annual Operating Budget to cover unexpected but essential operating expenses. Any cash in excess of the \$35k surplus remaining at the end of the audited fiscal year shall be transferred to the Capital Fund.
3. It is appropriate to maintain a Capital Contingency Fund to cover unexpected but essential capital expenses. The target balance for the contingency fund was established at \$250,000.

Adopted 12-28-07
Amended at 3-30-09 Board Meeting

3. Consider Water & Sewer District's Request for an Easement Agreement for Crown Ranch Phase V.

A request was received from Sun Valley Water and Sewer District for a 20' wide easement, approximately 38' long, across SVEA open space. This easement will allow the District to install a waterline for Crown Ranch Phase V service from an existing water main located on SVEA property (pursuant to a prior easement grant). Prior SVEA Board's have granted similar easements for various developments that border SVEA Open Space pursuant to Section 5.04 of the Master Declaration. It was noted that the District has been very responsible with their past commitments. The supporting documents were reviewed and discussed. **MOTION: Pam Bailey moved to approve the easement subject to Ed Lawson's review of the indemnification language. Marlene will compare the document language with prior easements. Patty Rosewater seconded and the motion passed unanimously.**

4. Consider Carol Wade's Letter Re: Elk Feeding

Carol Wade, owner of June Day Lot 4, 412 Morningstar Road, has written a letter to the Board asking that they consider implementing a rule prohibiting the feeding of elk within the Association boundaries by Elkhorn Residents. The Board considered her letter and directed staff to discuss the matter with Mayor Willich. Ed Lawson was asked to provide a legal opinion regarding SVEA's enforcement authority. It was suggested that staff also contact Susan McBryant, manager of Golden Eagle association, to inquire how they are addressing the elk/wolf/cougar problem. This issue will be discussed again at the July Board Meeting, and mention of the problem will be made in the May newsletter in an effort to begin the education process.

5. Provide Feedback on Style/Design of new 'Welcome to Elkhorn' Signs

New entrance signs are included on the Board's current list of goals and \$6k is included in the current capital budget for this improvement. Photographs of several styles of signs were provided for the Board's feedback. It was determined that Patty Rosewater and Pam Bailey would serve on a Sign Committee to suggest a brand, logo, wording, font type and size for new signs. This topic will be discussed at the July meeting.

6. Presentation of deNovo Development Planned for Independence Creek/Triumph

Ryan Cronk and Brian Pitkin of deNovo Properties, a development group with offices in Indianapolis, were in attendance to inform the board of their plans to clean up the old mining sites located up Independence Creek, between Elkhorn and Triumph in East Fork (in Blaine County), and then develop the property into several estate-sized lots. They are on the agenda for the April 23rd P&Z meeting with a request for an amendment to the City's Comprehensive Plan; the first step in pursuing annexation into the City. If the City does not support annexation, the project will likely move forward through the County process. The Idaho Department of Environmental Quality is holding a public hearing on April 18th.

COMMITTEE REPORTS

Architectural Design Liaison Committee- ADC issues were covered earlier in the meeting.

Communications Committee- Ted reported that a list of topics for the next newsletter has been prepared. Marlene distributed the list and added that Ted and staff have agreed on a timeline for the process. Margaret suggested the consolidation issue be included; Jack would like to see the amenities promoted; Patty will include something on the current economy and the impacts on SVEA.

Executive Committee- No meetings have taken place; there was nothing to report.

Finance & Audit Committee- All finance issues were covered earlier in the meeting.

Harker Center Improvement Committee- Cris reported on the construction and financial status stating that Larry's reporting confirms that we are on-time and on-budget. A meeting to review the costs of code requirements and roof issues will be held in the near future. Marlene reported on property owner and retired interior designer, Janet Drobner's generous offer to assist, at no charge, in the selections for the lounge improvements. All agreed that they were comfortable with the arrangement and did not feel the need to review furniture choices, etc. Marlene also informed the Board of the plans and cost to expand the roof of the west end of the Harker building to cover the existing beams. This work is being suggested as a solution to an existing leak in the lounge area, as well as to better protect the siding, etc. of the west end of the building. The cost of this work is \$9k. All were supportive of the expenditure and Marlene was directed to work with Patty to determine where the funds would be found.

Insurance Committee- There was nothing to report.

Nominating Committee- There was nothing to report.

Pool Committee- There was nothing to report.

Tennis Committee- Jack Dalieri reported that the Committee is meeting on March 31st; USPTS is set to be here by mid May; and the fee schedule is set.

Golf Ad hoc- Cris and Sid reported that following their meeting with CG-Elkhorn a proposal for a reduction in rates and expanded play times for SVEA owners has been received. The new offerings will be published in the May newsletter.

OTHER BUSINESS

Jim Fletcher provided a status report on the Fairway Nine II short-term rental issue, stating that he had a phone conversation with Dave Clack, FW9II board member, and that Ed Lawson had written a clarification letter to the FW9II Board basically stating that they can impose rules for rentals.

ADJOURNMENT

With no other business to discuss, the meeting adjourned at 3:50 p.m.

Respectfully submitted,

Pam Bailey, Secretary

SUMMARY OF MOTIONS & DECISIONS

Motion or Decision	Page #
Minutes of 12-29-08, 12-30-08, 2-9-09 and 3-2-09 were approved as presented	1
Comply with Virginia Graeme Baker law	2
Amended Mission Statement	2
Identified and set priority of long-term goals	2
Amended Resolution for Op & Cap funds and principles	3
Approved SVW&S request for easement for Crown Ranch Phase V	4
Patty and Pam to serve on a 'Sign Committee'	4
Approval to expand the west end of Harker roof over existing beams for \$9k	5

ACTION ITEMS

Who	Does What	By When
Board/Staff	Send letter to all owners outlining facts of proposed consolidation	4-15-09
Ed	Review indemnification language of Water & Sewer Easement	5-15-09
Marlene	Compare W&S easement language with prior easements	5-15-09
Jim/Marlene	Include elk feeding in May newsletter; agenda for July 16th	5-8-09
Marlene	Inform Carol Wade of status of elk feeding on owners property	5-15-09
Patty/Pam	Determine details of new welcome to Elkhorn signs	5-31-09
Marlene	Agenda new signs for July meeting	7-16-09
Marlene	Include new golf deals in newsletter	5-1-09

m/

Approved 7-16-09