

**SUN VALLEY ELKHORN ASSOCIATION
ANNUAL MEETING MINUTES (unapproved)
January 29, 2010**

American Legion Hall

BOARD MEMBERS PRESENT

Jim Fletcher, President
Patty Rosewater, Treasurer
Pam Bailey, Secretary
Sid Alpert - Director

Jack Dalieri – Director
Margaret Walker, Director
Ted Witt - Director

BOARD MEMBERS ABSENT

Cris Thiessen, Vice President
Steven Smith - Director

ALSO PRESENT

Ed Lawson, Legal Counsel
Marlene Lowry, General Manager
Darlene Kuehn, Office/Accounting Manager
Jan Kaas, ADC Manager
Chuck Williamson, Operations Manager
Elkhorn Owners (see attached list)

CALL TO ORDER

Jim Fletcher called the Annual Meeting to order at 3:10 p.m. and introduced the members of the Board and staff. Special thanks were given to Cris Thiessen for his work in bringing the Harker Center improvement project in on-time and on-budget. Jim recognized Jack Dalieri for his efforts in restructuring a successful tennis program and implementing a guest fee program, and for developing provisions for profit sharing in the tennis contract. Jim introduced Sun Valley Mayor Wayne Willich and Councilman Nils Ribl and reported that SVEA has worked closely with the City of Sun Valley on issues of bus routes, ordinance changes, common area rezones, fire mitigation, wildlife matters, weed control, etc.

ESTABLISHMENT OF A QUORUM

A quorum was established with 52% of the SVEA voting membership represented either in person or by proxy.

APPROVAL OF 2008 ANNUAL MEMBERSHIP MEETING MINUTES

MOTION: *Beverly Reeves moved to approve the minutes of the December 30, 2008 Annual Meeting, Ken Lewis seconded, motion unanimously approved.*

ELECTION OF BOARD OF DIRECTORS

The Board of Director Nominees, Jim Fletcher (Incumbent), Margaret Walker (Incumbent), Gary Black (Nominee) and Pete Petersen (Nominee) were introduced. Pam Bailey, Chairperson of the Nominating Committee explained the committee process for vetting and interviewing Board applicants. Pam reported the process was modified for this year in that the Board would not endorse candidates, recognizing that all candidates were qualified, letting the owners vote based on the information available. Ballots were then distributed to owners present who had not voted via proxies. **MOTION:** *Craig Bailey moved to approve the slate of directors presented to the membership, Dean Nichols seconded, motion approved.* With no further nominations from the floor, Pam Bailey reported

voting results as follows: Jim Fletcher, Margaret Walker and Gary Black were elected and will serve three (3) year positions.

On the motion for the election of the directors, the cumulative votes cast for each candidate and the percent of those voting follows:

1. Jim Fletcher, 620 (73%)
2. Margaret Walker, 563 (66%)
3. Gary Black, 552 (65%)
4. Pete Petersen, 508 (60%)

BOARD REPORT

Jim reviewed the SVEA Mission Statement with those present and explained the 2010 goals were conceived with the Mission Statement in mind. Jim explained the Mission Statement was expanded in 2009 to include "Assuring compliance with approved rules, regulations and governance policies" as this was seen as an important part in preserving and protecting the beauty of Elkhorn.

Jim reported on the following accomplishments in 2009:

1. Facilities & Open Space - The Harker upgrades completed on time and on budget. Open space willow maintenance and fire prevention measures continued. New amenity card system installed. Increased Tennis programs were implemented. Harker Pool converted to salt water. Accomplished gains in noxious weed control. Worked with Elkhorn Golf Club to improve benefits to SVEA Owners and Guests.
2. Architectural Design Committee – Completed Standards and Guidelines for inclusion in the ADC Manual. Updated all ADC, restriction compliance and office procedures.
3. Communications – Adopted a new communications plan with revised newsletter schedule to better coincide with seasonal amenities. On-going web-site improvements. Continued Sub-Association President Outreach program. Worked with City Mayor and Council on issues of mutual interest. Re-evaluated and initiated changes in Board election and endorsement process.
4. Finances – The Finance Committee membership was expanded. Managed to Harker Center financial principles. Implemented cash assets management procedures. Reviewed and revised SVEA Employee insurance coverage realizing expense reduction. New audit firm, Norman & Cooper, employed to review 2008/09 fiscal year accounting practices.
5. SVEA Management – Amendments to Bylaws were finalized. New capital study completed.

Jim stated the 2010 Goals and Plans are focused on continuous improvement in a number of areas, rather than any significant capital improvements. They will be as follows:

1. Facilities & Open Space – Continue mapping of the Elkhorn Trails System. Work with the City of Sun Valley to benefit from possible grant monies for open space willow maintenance and wildfire danger mitigation. Begin long-term capital plan for Village tennis. Continue to improve and enhance amenity software capabilities.
2. Architectural Design Committee – Scan and electronically file all architectural plans and provide to owners upon request. Coordinate approval of proposed plans with City Planning and Zoning.
3. Communications – Continue to improve membership communication. Ongoing web-site development. Continue and improve interaction with Sub-Association Presidents and City of Sun Valley.
4. Finances – Continue to improve SVEA budget management. Actively manage cash assets. Review Capital Reserve analysis and projections.
5. SVEA Management – Begin conversion to paperless office.

Jim introduced General Manager, Marlene Lowry. Marlene reported on the SVEA staff roles and responsibilities that generally include:

- Implement Master Declaration
- Implement Board policy and directives
- Contract oversight
- Amenities (20,000 visitors annually)

- Owner relations (fielding approximately 12,000 phone calls annually)
- Protection of property values (by performing weekly inspections of all Elkhorn properties)
- Open space maintenance and protection

Marlene introduced her staff and gave a brief overview of their responsibilities:

Darlene Kuehn - Accounting/Office Manager

- Budgeting work and financial reports for the operational and capital accounts
- Accounts Receivable
- Accounts Payable
- Payroll for up to 30 people (summer pool employees)
- Quarterly and annual reporting
- 401(k) reporting
- Database maintenance for 1629 members; 37 subdivisions and sub-associations --- includes addresses, phone numbers and things such as meeting attendance, amenity cards, sub-association management companies, sub-association Board Member info, etc.
- Website maintenance.

Jan Kaas – Architectural Design Committee /Restriction Compliance Manager

- Works with owners and/or their architects from the application stage making certain that all information is in place to ensure a prompt approval by the voting ADC members, through to the construction completion and the refund of the completion deposit
- Maintains files which include plans for improvement projects, house plans, plat maps and CC&Rs of all Elkhorn subdivisions and sub-associations
- Supporting the general restrictions of the Master Declaration - “Violations” such as exterior alterations without the appropriate prior approval, trash cans, and boats and motor-homes visible from adjoining properties.

Chuck Williamson – Operations Manager

- Year around oversight of pool and tennis amenities and structures
- Facilitates tennis and pool committees
- Administers seasonal employee staffing
- Maintains open spaces, ponds, fencing, signage, weed control and parks.
- Tennis Manager oversight
- Maintains amenity card software oversight.

AMENITIES CARD SYSTEM REPORT – Chuck Williamson reported the new amenity card system is working very well. The system was implemented to benefit owners and improve their access to the amenities. The program has been designed around owner convenience. The amenity card duration for owners is eight (8) years without the need for annual validation. Property managers have been given access, through a web interface, to print their own guest passes for Elkhorn properties in their rental inventories. Children of owners can now receive amenity cards up to the age of 24. If owners call ahead their guests can be entered into the system, prior to arrival, and have amenity access on weekends by showing a photo ID. Guests can then pick up their temporary use cards on the following business day.

FINANCIAL REPORT

Patty Rosewater, Treasurer, presented the year-end financial summary for owner information. Total member dues for 2009/10 fiscal year will remain the same at \$630; however, the allocation of dues has changed with \$512 allocated to the operating fund and \$118 to the capital collections. The last fiscal year showed operational and capital spending \$137,000 below budget due to Harker Improvement costs below budget for this year, deferral of low-priority capital expenses, and reductions in operational expenditures. Those present asked about receivables given the current economic climate. Darlene Kuehn reported four properties are in the foreclosure process; however, collection on these accounts may be possible through other avenues. Patty reported spending in fiscal year 09/10 is projected to be

\$521,000 less than 08/09. Improvements planned in 2009/10 include Harker Pool re-plaster, open space trails improvements, Village Pool shade umbrellas and summer pool cover purchases. Patty presented the long term view of cash resources versus cash requirements. The projections indicate that current funds and dues look to be sufficient for the next 2 years. Beyond that cash reserves fall slightly below \$250,000, which the Board adopted as a minimum contingency reserve, due to large capital expenditures anticipated for tennis court repaving. Patty stated the Board will review all expense and revenue options, making all possible adjustments, solicit updated bids, defer capital items that can be deferred, leaving an increase in dues as the last possible option. With no further questions from the floor, Patty invited those present to talk with her during the social hour following the meeting.

OTHER BUSINESS

Thin Ice – Jim asked those present to be sure to let friends, relatives and guests know that thin ice conditions are present on the ponds and streams throughout Elkhorn. This can be a danger to children and pets if proper precaution and adult supervision is not present.

Country Store – Jim stated that several comments were received in the questionnaire sent to the owners to promote support for the Elkhorn Country Store. This store provides a great service and convenience for the Elkhorn residents and Jim asked everyone to help support this local vendor to assure its success.

X-Country Skiing – Jim reported that CG Elkhorn has been setting x-country ski tracks on the golf course. The operators have expressed they are not sure how much longer they will be able to continue this practice given the costs and the economic times. Jim asked those present, if they use this amenity, to please help offset the maintenance cost through donation boxes located on the course.

Pool Guest Fees – Eileen Reiss asked if the Board would be implementing pool guest fees similar to that of the tennis program. Jim stated the Board would be reviewing the matter in the coming year.

Wildlife Issues – Jim invited Wayne Willich, Mayor of Sun Valley, to address concerns about wildlife encounters in the Elkhorn area. Wayne asked that anyone who has an encounter with cougars, wolves and bears to please report the incident to the City of Sun Valley. The City is recording the data to better monitor the situation. Wayne expressed his concern that cougars pose the greatest threat at this time as they are becoming more acclimated to human presence. This is a result of allowing wildlife such as deer, elk and fox, the primary food source for cougars, into residential neighborhoods. In Colorado the problem progressed in that cougars starting feeding on dogs and cats in neighborhoods, similar to what is now happening in Sun Valley, until eventually they began attacking humans. Wayne announced that he will be holding a wildlife town hall meeting at the end of February. Owners will be notified when the exact date and time are established.

ADJOURNMENT

With no further business, **Motion: Craig Bailey moved to adjourn the meeting, Bill Wright seconded, motion unanimously approved.** The meeting was adjourned at 4:20 p.m.

Respectfully submitted,

Pam Bailey, Secretary

/cw