

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Friday, September 22, 2017
Minutes**

AGENDA BUSINESS ITEMS

1. Review and Approve Financial Reports – <i>June, July & August 2017</i>
2. Rezoning Open Space – Sunrise Park & Skyline Drive
3. Consider Approval of 2017/18 Operational and Capital Budget
4. Consider Adoption of 2018 401(k) Corporate Resolution
5. Discuss Annual Meeting Information

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Ira Shepard, President	Jim Laski, Legal Counsel
Dave Galloway, Vice President	Chuck Williamson, Staff
Nancy Auseklis, Secretary	Darlene Kuehn, Staff
Jim Monger, Treasurer	Sue Ahern, Staff
Harry Griffith, Director	Jon White, Staff
Grady Burnett, Director	
Karen Curry, Director	Owners and Others:
Anita Northwood, Director	See Attached Listing
Board Members - Not Present	
Jack Haase, Director	

CALL TO ORDER

President Ira Shepard called the meeting to order at 2:03 p.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with eight (8) Directors in attendance. Jack Haase was unavailable.

REPORT FROM SUN VALLEY MAYOR

Sun Valley Mayor Peter Hendricks was in attendance reporting on the following:

- Peter thanked the Board for offering the wet dog pool festival. It was an event enjoyed by many of the Elkhorn pet owners.
- A new Community Development Director, Bryce Turney, has been hired as Jae Hill's replacement and expected to assume his position in the next two weeks.
- One (1) of the two (2) Elkhorn Springs condominiums owned by the City of Sun Valley has been sold.
- The City has received bids for the Bitterroot Road improvement project. It was anticipated the cost would be approximately \$700,000; however, one bid was received at a cost of \$1,100,000. The City rejected the bid. The City hired Holley-Troxell law firm with offices in Boise to prepare a 17.5 million bond referendum for infrastructure repairs, including Bitterroot Road, for the citizens to vote on in the next election cycle. The bond issue will have a 20 year duration.
- There are 2 City Council positions up for election. Keith Saks and Brad Defur, incumbents, are running unopposed.
- On October 5th Mountain Rides will be presenting to the City Council their transportation plan for the coming year. Concern was expressed about reduced services in Elkhorn.

- Sun Valley Company is requesting a plat amendment for relocating the workforce housing dormitories.

OWNERS ADDRESSING THE BOARD

No Public Comments

APPROVAL OF FINANCIAL REPORTS

The financial statements for June, July and August 2017 had been provided to all Board Members prior to the meeting.

MOTION: Anita Northwood moved to approve the financial reports as submitted, Karen Curry seconded and the motion passed unanimously.

BUSINESS

1. Open Space Rezone – Sunrise Park & Skyline Drive Parcels

Chuck Williamson reported receiving a bid for rezoning the Sunrise Park OS parcel and Skyline Road OR-1 parcel, approved by the Board at the July 17, 2017 meeting, at an estimated cost of \$5,500. Sunrise Park was inadvertently swept into the OS rezoning process by the City for the large block parcel in this area. The rezone of Sunrise Park to OS brings issues of nonconforming use with SVEA maintaining lawn in this area. SVEA will try to get the City to waive their fee for the Sunrise Park rezone. The rezone to REC will allow SVEA to continue its intended and existing use. The Skyline #2 parcel rezone will officially transition the land from OR-1 to REC which is identical in term of development and conform to current zoning designations. This rezone action will initiate the process to officially preserve some OR-1 land as REC for future recreational uses.

MOTION: Dave Galloway moved to approve up to \$5,500, to be included in the 2017/18 operational budget, for rezoning of Skyline Parcel #2 and the Sunrise Park Parcel to a REC designation, Jim Monger seconded, and motion passed unanimously.

2. Consider Approval of the 2017/18 Operational and Capital Budget

Jim Monger reported that Staff prepared the 2017/18 proposed Operational and Capital Budgets for review by the Finance Committee in its meeting on September 12th. The Finance Committee reviewed in detail the operational and capital budgets. The Finance Committee determined sufficient funds, in excess of operating expenses, have accumulated to meet and exceed the minimum requirements of the operational and capital budgeting principles. The Finance Committee approved a recommendation that the Board of Directors accept the proposed 2017/18 Operational and Capital budgets. Chuck Williamson requested that the Board consider the following additions to the proposed Operational and Capital budgets and accounting principles:

- 1) Include \$5,500 for the rezoning of Skyline Parcel #2 and Sunrise Park to REC; (*Board approved prior to budget approval discussion, see above*)
- 2) Include, upon Executive Committee review and approval, a possible addition to the operational budget for acoustic consulting to mitigate pickleball noise at the Village Tennis facilities; and,
- 3) Allow Staff authority to purchase Treasury Bills to maximize interest earnings;

Chuck explained that SVEA is bound by FDIC insurance limitations with respect to investments and accounts in a single banking institution. The \$250,000 maximum has required SVEA to maintain sixteen (16) separate bank accounts to insure the FDIC limits are not exceeded. Certificate of Deposit (CD) rates are currently .1 to .4 of 1% percent on 12 month investment options. CD interest is taxable at State and Federal levels further reducing earning potential. Treasury bills were recently issued at 1.24% for 12 months. Treasury bills are backed by the US Government and can be purchased without fees. Treasury bills are not taxable at State and local levels. Purchasing Treasury bills will allow SVEA to increase earnings, reduce the number of bank accounts currently maintained, adequately insure funds from any monetary losses and ease the management burden associated with these accounts.

MOTION: Dave Galloway moved to approve the Operational and Capital budgets as recommended by the Finance Committee and including Staff budget additions and Treasury purchase recommendation, Nancy Auseklis seconded, and motion passed unanimously.

3. Consider Adoption of 2018 401(k) Corporate Resolution

At the beginning of each fiscal year the Board considers adopting a resolution to meet the requirement of the SVEA 401(k) Plan and Trust. SVEA contributes 6% of eligible and qualified employee earnings to the Plan. Employees may also contribute. Following discussion:

MOTION: Anita Northwood moved to adopt the 2018 401(k) resolution, Karen Curry seconded and the motion passed unanimously.

4. Discuss Annual Meeting Information

Ira reported that interest for serving on the Board has been received from four (4) Elkhorn property owners in addition to incumbent Anita Northwood. Existing Board members Ira Shepard and Jack Haase will be term limited out and Anita Northwood is up for re-election. Members expressing interest for serving on the Board include; Anita Northwood (4134), Terry Maher (4392), Charlotte Alexander (240), Laurie Fitzpatrick (4619), and Peter Jarvis (682).

No changes were recommended for the proposed Annual Meeting agenda. Ira reported the annual meeting information will be sent to all owners on or about November 10. Chuck reported that electronic voting would not be available in time for this year's annual meeting. Dave Galloway suggested that the owners be polled to determine who would be in favor of, and possibly participate in, electronic voting.

STAFF REPORT

The Staff Report distributed prior to the meeting included:

Software Update:

- The new association management software has performed very well under heavy summer season use and reporting requirements. Staff has requested some minor adjustments and functionality capabilities. New additions to functionality includes the ability to post information to guest passes issued by rental agents.

- **Amenity Usage as of 9-4-2017**

Harker Pool – 10,374

Harker Tennis – 2,666

Village Pool – 8,028

Village Tennis – 2,851

Total Pools – 18,402

Total Tennis – 5,517

Note: Historical amenity use:

Summer Pools Usage: 17,000 - 22,000

Summer Tennis Usage: 3,200 - 3,600

- **Harker Pool** – The main pool pump motor overheated and caught fire due to a power outage/surge in mid-July. A new pump motor was ordered and replaced and overheat prevention controls installed. The Hot Tub filter developed a crack in the side and had to be replaced in August. The salt chlorinator system was not producing a sufficient amount of chlorine and three control boards were replaced in the last week in August. Harker Pool is operational and will be open through September 25th weather permitting. The pool is scheduled for draining and winterizing the first week of October.
- **Village Pool** – The Village Pool closed on Sept 4th for plaster repairs. Repairs will be made at no additional cost and included as part of pool workmanship guarantee still in effect. The leak mentioned in the July report was significantly reduced with the alteration of a hydrostatic drain plug. Further troubleshooting of the water leak will be conducted in the fall.

- **Common Areas/Open Space Trails** – Proposed trail signage, approved by the Recreation Committee, was presented to the board during the July meeting. The Board directed staff to reduce the proposed size and prepare test signage. The Prospector Loop sign has been completed and will be on display during the meeting.
- **Ponds** - The Village Pond will be winterized in October and the surface aerator will be removed. The subsurface aerators will operate through the winter. Twin Creek pond cleanup was completed in early Sept. The pond algae in TC was minimal this year due to high water flows.
- **Harker Park** - Two memorial plates were affixed to the numbered tiles on the sundial. The splash pad will be winterized, and patio and park furniture will be stored by mid-October.
- **Harker Structure** - Additional bids have been requested for the replacement of the Harker parking lot curbing and the project will be scheduled for completion in spring 2018.
- **Tennis Facilities**- The Har-Tru courts are currently operational but are being checked daily due to colder overnight temperatures. Courts will be closed as signs of freezing becomes apparent. The shade structure and furniture at the Village courts will be stored for winter. All water coolers have been disconnected and stored for winter. Harker nets, ball trays and furniture will be stored in October. Several Harker courts will remain playable weather permitting. Wind screens will be folded up and remain in place on fencing for the winter season. This will not harm the wind screens and will reduce spring court setup time. Wind screens on Har-Tru courts have remained in place for 3 seasons with no apparent problems.
- **Recreation Report** - SVEA ended the event filled summer with the 3rd Annual Wet Dog Pool Festival. 67 dogs participated and \$208 was raised for the Wood River Animal Shelter.
- **ADC & General Restrictions Compliance Report** included new and current construction projects and report on violations processed over the last quarter.
- **Dues Collections Report** indicated there is currently 1 bank owned property and 2 additional properties in arrears at this time with pending SVEA liens to filed on those properties.

COMMITTEE REPORTS

1. Communications Committee ~ Grady Burnett reported the Communications Committee did not meet between Board meetings. Staff has implemented previous suggestions of the committee and continues to improve communications with the owners. The Committee will meet prior to the next Board meeting.
2. Executive Committee – No Report.
3. Finance/Long Range Planning Committee ~ Nothing further to report beyond the budget approval.(See Above)
4. Governance Committee ~ Dave Galloway reported that staff covered most issues within the meeting; however, short term rentals are starting to raise issues of concern for the Elkhorn owners. While short term rentals can no longer be prohibited, Dave reported that the sub-associations are reviewing how they might place controls on short term rental to address the problems associated with this activity. Problems including excessive noise, parking, number of pets, etc. are being increasingly reported. Dave expressed his concerns that as short term rental activity increases, the demands on staff and impact on recreational facilities may warrant additional fee consideration. Staff will be reaching out to sub-associations for input on uniform rules governing short term rental activity and the Governance Committee will discuss the feedback received. Jack Rubin, Morningstar Condominium President, expressed his

