

**SUN VALLEY ELKHORN ASSOCIATION  
BOARD OF DIRECTORS' MEETING MINUTES  
Friday, January 5, 2018  
Minutes**

**AGENDA BUSINESS ITEMS**

1. Review and Approve Financial Reports – <i>September, October &amp; November 2017</i>
2. Review and Approve 2016/17 Audit
3. Consider 2017/18 Audit Engagement Letter
4. Consider Appointment of ADC Member – Rob King
5. Rezoning Open Space – Sunrise Park & Skyline Drive - Status
6. Annual Meeting Assignments
7. Sun Valley City Request to Waive Association Dues for First Responders

**IN ATTENDANCE**

<b>Board Members</b>	<b>Staff, Counsel &amp; Others</b>
Ira Shepard, President	Jim Laski, Legal Counsel
Dave Galloway, Vice President - Phone	Chuck Williamson, Staff
Nancy Auseklis, Secretary	Darlene Kuehn, Staff
Jim Monger, Treasurer	Sue Ahern, Staff
Harry Griffith, Director	Jon White, Staff
Grady Burnett, Director - Phone	
Karen Curry, Director	<b>Owners and Others:</b>
Anita Northwood, Director	See Attached Listing
Jack Haase, Director - Phone	

**CALL TO ORDER**

President, Ira Shepard, called the meeting to order at 2:05 p.m.

**ESTABLISHMENT OF A QUORUM**

A quorum was established with all Directors in attendance either in person or via conference call.

**REPORT FROM SUN VALLEY MAYOR**

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

- The City of Sun Valley has approved ordinance 519 granting a 10 year extension of electrical service provided by Idaho Power. The agreement provides that 1% of all revenue generated from Sun Valley City residents will be paid to the City.
- The City passed an employee housing assistance policy stating that first responders residing in or close to Sun Valley may receive financial assistance up to \$500 per month. First responders residing down valley can receive up to \$300 per month. The housing assistance policy was developed after working with the Blaine County Housing Authority. Previously seven (7) employees applied for financial assistance and were denied under the previous assistance provisions. With the changes made by the City, six (6) of the seven (7) applicants became eligible to receive housing assistance.
- On November 7<sup>th</sup>, Keith Saks and Brad Dufer were elected to the City Council and the citizens approved a \$17.5 million dollar bond issue for infrastructure repair to roads and paths. Bids for initial projects are to be received and reviewed by legal counsel Holley, Troxell by February 20<sup>th</sup> and contracts awarded on March 8<sup>th</sup>.
- The City finalized and passed the emergency services strategic plan which consolidates Police and Fire Services under the responsibility of the Director of Public Safety Walt Femling.

- The Mayor requested SVEA Board approval for time allocated during the SVEA annual meeting to allow him to update owners on the Bond passage and work schedule. In addition, allow Nancy Flannigan, City Clerk, to talk about short term rental requirements. The abundance of short term rentals are directly affecting the long term rental market and causing rents to escalate. *Jack Haase commented that some cities have placed a moratorium on short term rentals and suggested the City might review their authority to consider similar action.*

## **OWNERS ADDRESSING THE BOARD**

**Greg Cook – 205 Sunrise** – Mr. Cook requested clarification on the rezone effort by SVEA for the Sunrise Park parcel. Chuck Williamson explained that the City of Sun Valley erroneously included the Sunrise Park parcel in their Open Space rezone efforts early last year. SVEA has submitted a rezone application and comp plan amendment to change this parcel to a REC designation. The parcel was zoned OR-1 prior to the City OS rezone action. SVEA is trying to rezone the parcel to REC so the park remains a conforming use. Under the current OS zoning, the mowed lawn areas would not be considered a conforming use. SVEA has no plans to make any additions or changes to the existing park which has been in existence for over 25 years. This rezone is intended only as an administrative action.

**Pete Petersen – Ranch 3548** – Mr. Petersen expressed his appreciation to Ira Shepard and Jack Haase for their six (6) years of service on the Board.

## **APPROVAL OF FINANCIAL REPORTS**

The financial statements for September, October and November 2017 were provided to all Board Members prior to the meeting.

***MOTION: Jim Monger moved to approve the financial reports as submitted, Nancy Auseklis seconded, and the motion passed unanimously.***

## **BUSINESS**

### **1. Review and Approve the 2016/17 Audit**

Chuck Williamson reported that the 2016/17 audit was submitted to the chair of the Governance Committee, Dave Galloway, to review and validate that proper audit procedures were followed in accordance with the Master Declarations requirements. Dave reported that he has reviewed the audit as prepared by Scott Hunsaker of Mahlke, Hunsaker and Company and is satisfied that proper accounting procedures have been followed. Treasurer, Jim Monger, confirmed that the audit reflects an accurate accounting of Association revenues and expenses for 2016/17.

***MOTION: Jim Monger moved to approve the 2016/17 financial audit prepared by Scott Hunsaker of Mahlke, Hunsaker and Company, PLLC, Nancy seconded, and motion passed unanimously.***

### **2. Consider Engagement Letter for 2017/18 Audit**

Chuck Williamson reported that there is no requirement in the Master Declarations necessitating the Board of Directors to solicit new auditors every five (5) years. When hiring Mahkle, Hunsake and Company in 2012 the Board at that time expressed it was prudent to change auditors periodically to gain a fresh accounting perspective. Chuck explained that Scott Hunsaker, with the 2016/17 audit, just concluded his fifth year of auditing the financial records of SVEA. Chuck requested that if the Board determines a new auditor is desired for fiscal year 2017/18 then he would like to meet with the Governance and Finance Committee chairpersons to assist in defining the RFP criteria. Chuck stated it is staff's recommendation to continue with Mahkle, Hunsaker for the 2017/18 audit as they have worked well with staff and have been very thorough in their audit procedures. With fewer accounting firms providing auditing services, those present expressed a change in auditors is not warranted at this time.

***MOTION: Anita Northwood moved to approve the auditor engagement letter from Mahkle, Hunsaker and Company at a total cost of \$6,500 for the 2017/18 audit, Karen Curry seconded, and motion passed unanimously.***

### 3. Consider Appointment of ADC Members

Sue Ahern reported that SVEA can have up to fifteen (15) members approved to serve on the Architectural Design Committee. At each ADC meeting three (3) architects are selected from the list of approved members to review construction and landscape projects. Sue requested that Rob King, Landscape Architect, be approved to serve on the Architectural Design Committee. Rob King's approval by the Board would bring the total number of architects on the ADC member listing to thirteen (13). Rob has served previously and has proven to be a valuable addition with his knowledge of Elkhorn and his landscaping expertise.

***MOTION: Anita Northwood moved to approve Rob King as a qualified professional to serve a three (3) year position on the Architectural Design Committee, Jim Monger seconded, and the motion passed unanimously.***

### 4. Open Space Rezone Status

Chuck Williamson reported that the rezone and comp plan amendment for the Sunrise Park and Skyline Parcels have been surveyed and submitted to the City of Sun Valley for approval. Planning and Zoning will review the rezone application in their meeting on January 18<sup>th</sup>. Staff has requested a waiver or reduction of the application fees. The Sunrise Park parcel was erroneously rezoned OS which technically defines the existing park a non-conforming use.

### 5. Annual Meeting Assignments

The Board reviewed materials to be presented at the Annual Membership Meeting as prepared by staff. Board members were given reporting assignments based on their respective Committee responsibilities. The slide deck package was reviewed and corrections made to the capital reserve projection slide. Jim Monger was assigned to give the yearend financial report. Jim Laski was appointed Inspector of Elections and will report on processes and voting results during the membership meeting.

### STAFF REPORT

The Staff Report distributed prior to the meeting included:

**Association Management Software Update** – Over the winter months the tennis scheduler will be modified to allow for single entry group and/or clinic summer reservations. Staff will be reviewing the ability to allow owners to make on-line court reservations. Staff is investigating the feasibility of including electronic gate lock controls and online voting capabilities through Ally software.

#### Amenity Operations

**Harker Pool** – Harker Pool has been winterized. The salt cells have been dismantled, cleaned and stored for winter. No issues to report at this time.

**Village Pool** – The Village hot tub is now open 3pm-10pm daily. Currently the facilities are staffed by two-part time attendants. The water softener was inspected and found to not be functioning properly. Replacement parts were ordered and will be installed in January. Village shower room floors and wall tiles need attention and solutions and bids are being reviewed to improve appearance and durability.

**Common Areas/Open Space Trails** – The new trail head sign was installed for the Prospector trail area. A test designated parking area was installed on Horseshoe road for users. This is a test before moving forward with additional signage. City parking signage will be placed in the spring and the test will run through the 2018 summer season. Additional trail head parking and bus route plans will be researched this winter season and will then be discussed with the Board and City of Sun Valley.

**Ponds** – The Village Pond is being aerated over the winter months to help the trout survive. The Sonic Algae Unit was removed from the pond to prevent any winter damage and will be re-installed in the spring. We believe the unit helped in the reduction of algae growth during the 2017 season.

**Harker Park** – Closed for winter. All playground equipment was inspected and is in working order. Splash pad was winterized, park umbrellas and patio furniture have been stored.

**Tennis Facilities** – The Har-Tru clay courts have been winterized. The new float valves were removed and stored for winter. The Harker Tennis courts had continued play on 4 courts into mid-November.

**Summer Programs** – Closed for winter. Program planning and improvements will commence with staff this winter season.

**ADC & General Restrictions Compliance Report** included new and current construction projects and report on violations processed over the last quarter.

### **Dues Collections**

Currently, there are five properties that are over 120 days past due. Two (2) owners are delinquent on their property taxes and three (3) owners have been identified in the local newspaper involving trustee sale notices. These owners are not responding to phone calls, snail mail or email. Liens have been filed on all of the properties.

### **COMMITTEE REPORTS**

1. **Finance/Long Range Planning Committee** ~ Nothing further to report beyond the audit approval. (See Above)
2. **Communications Committee** ~ Grady Burnett reported the Communications Committee did meet between Board meetings. The Committee reviewed and discussed the Newsletter and Website formats and the potential for increased usage of the social media platforms Facebook and Instagram. The Committee reviewed and approved a “New Owners” packet prepared by staff which will be sent to all new property owners.
3. **Executive Committee** – Ira reported that the Executive Committee has met twice to interview and select an acoustics professional who is familiar with the sound generated during pickleball play. The acoustic professional hired is located in Tucson, Arizona and has produced 15 to 20 reports relating to pickleball noise. The report being prepared for SVEA has not been completed and will be presented to the Board when finalized. The Committee is attempting to work through and address the concerns of the Fairway Nine II owners. Reasonable mitigation efforts will be considered. Jack Haase reported that the Fairway Nine II Association will not be party to any litigation regarding this matter; however, some of the owners have pursued legal advice. Harry suggested that SVEA solicit owner comments from those near the courts in support of pickleball play in the Village.
4. **Governance Committee** ~ Dave Galloway reported that the Online Voting polling results indicated 83% of the owners responding favored the use of online voting. Sue Ahern reported approximately 20% of the proxies returned indicated some kind of confusion by the property owner while filling out the proxy form. Online voting should help eliminate any confusion in the voting process.
5. **Recreation Committee** ~ Anita Northwood, Committee Chair, reported that the summer programs were very successful with many events sold out. Sue Ahern reported that staff is currently reviewing potential programs for the summer of 2018.
6. **Sub Association Liaison Committee** – No Report.
7. **Tennis** - No Report



## SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve Financial Reports for Sept, October & November 2017	2
Motion to approve the 2016/17 Audit	2
Motion to approve Engagement Letter for 2018 Auditor at an expense of \$6,500	2
Motion to Approve Rob King to ADC	3
Motion to approve Executive Session and Return to General Session	5
Motion to Approve dividing Board votes equally among candidates	5

ACTION ITEMS	
Who	Does What
Chuck	Return Signed Engagement Letter to Scott Hunsaker
Chuck	Continue with rezone of Sunrise Park and Skyline Parcel #2
Chuck	Continue with Acoustic Professional and Report to Board
Chuck	Follow-up with City Request to Waive Association Dues – 1 <sup>st</sup> Responders