

**SUN VALLEY ELKHORN ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
Friday, September 23, 2016 – 2:00 p.m.
Harker Center**

AGENDA BUSINESS ITEMS

1. Update from City Regarding Fire Station Equipment Storage
2. Future Capital Planning – Communications, Tennis Amenities, Tennis Agreement
3. Consider Approval of 2016-17 Budgets
4. Consider Adoption of 2017 401(k) Corporate Resolution
5. Discuss Idaho Power Redundant Line Plans
6. Discuss Annual Meeting Information

IN ATTENDANCE

Board Members	Staff, Counsel & Others
Peter Petersen, President	Chuck Williamson
Ira Shepard, Vice President	Sue Ahern
Nancy Auseklis, Secretary	Jon White
Jim Monger, Treasurer	Jim Laski – Legal Counsel
Harry Griffith, Director	
Jack Haase, Director	Owners and Others:
Angela Mabon, Director (via phone)	Stephen Wilcox – Owner Ridge 2610
Dave Galloway, Director	Karen Curry – Owner Ranch 3596
Anita Northwood, Director	

CALL TO ORDER

President Peter Petersen called the meeting to order at 2:02 p.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with all Board Members in attendance.

REPORT FROM SUN VALLEY MAYOR

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

- City appointed Walt Femling Director of Public Safety with oversight of police and fire departments.
- City has hired new Treasurer and Finance Manager Wendy Crosby to be confirmed by City Council.
- Mayor Hendricks reported on a joint meeting with Ketchum, Sun Valley City and Idaho Power on the proposed redundant power line. The City will send a letter supporting the line as necessary and vital to the area; the power line is best suited to be underground from Elkhorn Road/Hwy 75 into Ketchum; and, Sun Valley is encouraging further study of alternative power solutions and utilization.
- The Elkhorn Fire Station remodel is underway which includes the addition of sleeping quarters for on-call staff.
- The Rescue Trailer will now be stored within the fire station building.
- Bitterroot Road is currently being surveyed for restoration due to sprinkler and water erosion damage.
- Joyce Fabre was appointed as the City representative to Mountain Rides Board.
- Jane Conard received Fellows status from the American Health Lawyers Association.

OWNERS ADDRESSING THE BOARD

None

APPROVAL OF FINANCIAL REPORTS

The financial statements for June and July 2016 had been provided to all Board Members prior to the meeting.

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

BUSINESS

1. Discuss Status of Elkhorn Fire Station Re: Section 3.13 (Equipment Screening)

Mayor Hendricks stated the City of Sun Valley was withdrawing its application for the rescue trailer placement and fabric screening approval. The City intended to submit a modified screening application in an effort to comply with SVEA restrictions regarding trailer storage. Mayor Hendricks reported the trailer has been moved and permanently located within the fire station building where it will remain when not in use or being serviced.

2. Future Capital Planning Discussion

- a. **Communications Report** – Chuck reported that staff has sent two eblast in an effort to keep Owners informed on the Future Capital Planning progress. The eblasts contained information of the Board's efforts to examine operational efficiencies for potential savings and capital planning for asset repair and replacement.
- b. **Tennis Amenity Improvement Considerations** – Chuck explained as part of the budgeting and future capital planning process, the Finance and the Long Term Capital Planning Committees used expense projections which include the following potential improvements under consideration:
 - i. Installing two additional Har-Tru tennis courts at the Village.
 - ii. The installation of a Pro-shop building with restrooms at the Village.
 - iii. Replace asphalt tennis courts with post tension concrete at Harker and Village.
 - iv. Conversion of 1 Village tennis court to 3 pickleball courts with sound attenuation.
- c. **Consider 2017 Tennis Agreement** – Chuck reported that the Tennis Committee met, at the direction of the Board, for the purpose of reviewing tennis program alternatives which may result in substantial operational savings while maintaining service levels. The Tennis Committee concluded that savings could be possible under a revised tennis program format. Staff was asked to prepare a request for proposal (RFP) for Committee review and approval in preparation for bid solicitation. The RFP was prepared and staff solicited responses from USPTS (Bill VanDeinse), Resort Sports, LLC (Reid Arthur), Coaching Staff at Boise State University, Idaho Intermountain Tennis Association and posted on TennisJobs.com. Discussion regarding the RFP responses was moved into executive session.

3. Consider Approval of 2016/17 Budgets (Operational and Capital)

The Capital Committee met on September 1st to review and update the capital component schedule and finalize the proposed capital expenditures for 2016/17. The Capital Committee approved a recommendation for the Finance Committee, which met later the same day, for presentation to the Board of Directors. The recommendation from the Capital Committee included a proposed \$13.00 per unit per year increase in

capital collections. This increase is projected to be sufficient for planned capital improvements, which include all tennis court replacement and improvements under consideration within the next four to six years. Based on that recommendation Staff prepared the draft budgets for review by the Finance Committee. The Finance Committee considered the projected operational surpluses carried forward and concluded a decrease of \$13.00 per year was possible in conjunction with the proposed capital increase. The Finance Committee recommended the Board of Directors approve the 2016/17 operating and capital budgets as presented with an increase in capital reserve collections of \$13 per unit per year and a corresponding decrease of \$13.00 per unit per year in operational budget dues.

Dave Galloway requested the Board consider an additional capital expense request item which would allow for a test pickleball program. One of the future capital improvements under consideration is the installation of three (3) pickleball courts at the Village. Dave suggested implementing the proposed pickleball plan on a trial basis starting in 2017. Dave explained the Board would then be able to assess the viability of pickleball in Elkhorn by tracking demand and have a means of evaluating any noise impact after installation of full sound attenuation measures. Dave suggested purchasing sound dampening equipment and implementing usage rules limiting hours of play providing a realistic approach to the pickleball program under consideration. Staff suggested, if approved by the Board, an allocation of \$15,000 for the necessary modifications be added to the capital budget. Chuck stated a majority of the funds allocated would be used towards sound attenuation measures which may be reused in the future. Harry Griffith reported on several potential locations for pickleball currently under consideration in the Wood River Valley which include Atkinson Park in Ketchum and an indoor facility at the YMCA. After discussion, those present agreed repurposing one (1) tennis court at the Village for pickleball would not adversely impact tennis usage while providing a means for accurate data gathering prior to incurring a significant future capital expenditure on a formal pickleball facility.

MOTION: Anita Northwood moved to approve the 2016/17 operational budget as presented and amend the capital budget to include \$15,000 for trial pickleball in 2017, Ira Shepard seconded and the motion passed unanimously.

MOTION: Ira moved to approve a \$13.00 per unit per year increase in Capital dues collection and a \$13.00 per unit per year Operational dues decrease, maintaining total dues for 2016/17 at \$674 annually, Jim Monger seconded, and the motion passed unanimously.

4. Consider Adoption of 2017 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: Jim Monger moved to adopt the 2017 401(k) resolution, Nancy Auseklis seconded and the motion passed unanimously.

5. Discuss Idaho Power Redundant Power Line Installation

Harry reported on the Idaho Power plan to install a redundant power line and the requests made by Ketchum and Sun Valley for consideration of additional renewable energy alternatives. Idaho Power reports the cost for undergrounding will be spread over the entire rate base throughout Idaho. Approval from the Public Utilities Commission (PUC) is anticipated. The Board members present agreed to monitor the situation and should the current installation plan revert back to the original plan, with the redundant line coming through Elkhorn, the Board will address the situation.

6. Discuss Annual Meeting Information

Chuck reported that he has received interest for serving on the Board from two Elkhorn property owners. Pete Petersen term and eligibility will expire this year. Jim Monger and Angela Mabon are both eligible to

serve an additional three (3) year term; however, Angela has indicated she would be stepping down due to time constraints as a result of business activities. The annual meeting information will be sent to owners by mid-November.

STAFF REPORT

The Staff Report distributed prior to the meeting included:

- An update on Blaine County's position regarding ownership of Elkhorn Village Sub open space areas and the current tax lien
- Amenities Report included the pool closing schedule, common space trail maintenance, and installation of sundial in the Patty Rosewater Park and tennis closure information.
- ADC Report
- General Restrictions Compliance Report
- Dues Collections Report

COMMITTEE REPORTS

1. Capital Improvements/Long Range Planning Committee ~ Recent committee activities were reported during the discussion of budgets.
2. Communications Committee ~ Angela reported that the Communications questionnaire has gone out to members and approximately 300 responses have been received. The questionnaire is scheduled to be resent to those who have not yet responded and will be followed up by a hard copy questionnaire in November.
3. Executive Committee ~ Nothing to report.
4. Finance Committee ~ Activity was addressed under discussion of budgets.
5. Governance Committee ~ No report; no meetings held.
6. Recreation Committee ~ No report; no meetings held.
7. Sub Associations Liaison Committee ~ Staff will compile and send to the Board members a list of those association's holding winter annual meetings. Signups to present the SVEA report will be requested.
8. Tennis ~ Two meetings were held pursuant to the Board request for a Committee recommendation on a revised tennis program.
9. Water Committee – Harry reported that he has been working with Pat McMahon and gathering consumption information. Overall consumption has increased in 2016. Sun Valley Water and Sewer has increased their rates for both domestic and irrigation consumption. Ketchum has implemented monthly water billings. Jim Laski reported that he serves as legal counsel for the Galena Groundwater District and they have reached a settlement which effectively removes any water call threat at this time.

OTHER BUSINESS

Wild Animal Issues – Harry inquired about any reported wild animal issues over the summer months. Staff reported other than early season coyote sightings no issues have been reported.

ADC Clarifications and Additions – Board members requested a Staff review of the following:

1. **Exterior Color Palette** – Harry suggested the development of a formal color palette in which property owners can refer for new construction and repainting of existing homes. Sue Ahern, ADC Manager, reported that there were several color issues raised and reviewed by the ADC over the summer months.
2. **Solar Panel Installations** – Harry requested revisiting the solar panel installation guidelines for including street side applications in the administrative approval process.

3. **Review Sun Valley City Building Permit Fees** – Dave requested staff to pursue additional information and clarification from Sun Valley regarding their building permit fee structure.

EXECUTIVE SESSION

An Executive Session of the Board was called for the purpose of discussing the 2017 tennis agreement and contractor bids.

MOTION: Anita Northwood moved to adjourn into Executive Session to discuss contracted labor matters, Ira Shepard seconded and the motion passed unanimously.

RECONVENE OPEN BOARD MEETING

The meeting was reconvened in open session. Motions as a result of Executive Session:

MOTION: Dave Galloway moved to approve, upon due consideration with respect to the viability and economics of the tennis program, the final decision on the selection of the 2017 tennis contractor be deferred to the Executive Committee, Harry Griffith seconded, and motion passed unanimously.

ADJOURNMENT

With no further business Pete Petersen adjourn the meeting at 5:00 p.m.

Respectfully Submitted,

_____/s/ Nancy Auseklis
Nancy Auseklis, SVEA Secretary

SUMMARY OF MOTIONS, DECISIONS & ACTION ITEMS

Motion or Decision	Page #
Motion to approve the June and July 2016 Financial Reports	2
Motion to approve the 2016/17 operational budget and amended capital budget	3
Motion to approve the operational and capital dues modification	3
Motion to adopt the 401(k) Resolution for 2016 contributions	3
Motion into Executive Session for purpose of discussing 2017 Tennis Contract	5
Motion for Executive Committee to make final determination on 2017 Tennis Contract	5

ACTION ITEMS	
Who	Does What
Chuck/Nancy	Hold Meeting of Tennis Committee to develop tennis contractor recommendation for 2017
Chuck/Darlene	Finalize budgets for annual meeting – Post on Website
Darlene	Adjust Dues amounts on 10-1-16
Darlene	File 401(k) with Plan Administrator
Chuck/Jon	Prepare for and install Pickleball in spring of 2017
Chuck	Prepare Annual Meeting Mailing
Chuck/Sue	Prepare Exterior Color Palette – Review Solar Panel Street Side Installations for Administrative Approval – Get Clarification on Building Permit Fee Structure