

**SUN VALLEY ELKHORN ASSOCIATION
2020 ANNUAL MEETING MINUTES**

**Saturday, January 9, 2021, 3:30 p.m.
Harker Center (Virtual Meeting)**

BOARD MEMBERS PRESENT

Dave Galloway, President
Karen Curry, Treasurer
Anita Northwood, Secretary
Grady Burnett, Vice President
Anita Northwood, Director
Laurie Fitzpatrick, Director
Clark Furlow, Director
Bob Diercks, Director
Pete Petersen, Director

BOARD MEMBERS ABSENT

None

ALSO PRESENT

Elkhorn Owners and others (per attached list)
Jim Laski, Legal Counsel
Chuck Williamson, General Manager
Darlene Kuehn, Finance/Systems Manager
Sue Ahern, Office/ADC Manager
Jon White, Operations Manager

CALL TO ORDER

President Dave Galloway called the Annual Meeting to order at 3:30 p.m. welcoming all. Dave explained the noticed purpose of the meeting is to consider and vote on the election of three directors, and to recap accomplishments in 2020. SVEA Board Members, Staff, Legal Counsel and Board Candidates were introduced.

ESTABLISHMENT OF A QUORUM

A quorum was established with 956 owners represented in person or by proxy. Owners were in attendance via Zoom webinar service. A quorum was achieved with 58.58% of the SVEA voting membership represented.

APPROVAL OF 2019 ANNUAL MEETING MINUTES (held January 4, 2020)

The 2019 annual meeting minutes were distributed to the membership prior to the meeting. President Galloway called for a motion to approve the January 4, 2020 (2019) annual meeting minutes as presented:

MOTION: Karen Curry moved to approve the 2019 annual meeting minutes as presented, Pete Petersen seconded, and the motion passed unanimously.

ELECTION OF BOARD OF DIRECTORS

President Galloway introduced legal counsel, Jim Laski, Inspector of Elections. Jim explained that three directors are elected each year for a three (3) year term. Mr. Laski stated voting processes were reviewed and found to be in accordance with established board election policies. He informed the owners that accommodation has been made for owners in attendance via Zoom who have not yet submitted a proxy or who want to change their proxy. SVEA staff was standing by to assist in this process.

Nominations Closed: Jim Laski requested any additional nominations from the membership present, there being none, the nominations were closed by unanimous consent.

Those owners present who had either not voted by proxy, or desired to change their previous votes, were offered online ballots. It was announced the votes would be tabulated with election results reported later in the meeting.

FINANACIAL REPORT

SVEA Finance Director, Darlene Kuehn, reviewed the budgeting process and the 2019/20 budget results with those present. Darlene reported on the budget prioritization matrix that determines how the Board allocates the funds budgeted each year. Darlene explained that member dues are divided between operational and capital accounts. Of the \$674 billed to owners annually, \$517 is used toward operational expenditures and \$157 is allocated towards capital asset repair and replacement. The Operational budget in 2019/20 totaled \$897,000, however, actual expenses totaled \$837,000 or approximately \$60,000 (6.7%)

under budget on the year. The capital budget was projected at \$725, 000 in 2019/20 with actual expenses totaling \$494,000. \$498,000 of prior capital expenditures were adjusted to capital assets and \$987,000 is identified as construction in progress. Darlene explained the capital budget as reported accurately reflects the yearend audited statements. Darlene stated that owners could find all financial information posted online at www.elkhorninsunvalley.com

CPA and SVEA Auditor, Scott Hunsaker with Mahlke, Hunsaker and Company, reviewed the audited financial statements with those present. Scott explained that financially SVEA experienced a substantial amount of activity which is reflected on the balance sheet. There are several items new to the reporting which include PPP funds received, capital projects underway and bank loans acquired for current capital projects. Scott explained that the PPP loan funds have not yet been forgiven, and if approved for forgiveness, the funds totaling \$86,100 will be identified as income and removed from the liabilities on the balance sheet. Scott reviewed the operational and capital cash flow statements along with staff's cash flow projections over the next several years. Projections indicate that capital funds will be needed in 2025/26 for rebuilding the Harker Pool coinciding with the updated capital reserve study. Overall, Scott expressed that the finances are maintained in accordance with accepted accounting principles and he found no discrepancies or irregularities during the audit process.

2020 IN REVIEW

Board and Staff members reported on the 2019/20 accomplishments as follows:

Ad Hoc Revenues Analysis Committee:

Dave Galloway explained that SVEA is in the process of replacing three (3) of its four (4) major amenity assets. As indicated in the financial report, SVEA will require capital funding to replace the Harker pool relatively soon. The tennis courts and pools have reached the end of their useful life. The tennis court replacement was easy to recognize as the failure of the surface was visible to everyone. The Village pool structure deteriorated below ground. The Board had hoped repairs made a few years ago would provide more time to plan the Village pool replacement. Whether it was due to deterioration, or in part to the recent earthquake, the Village pool failed quicker than anticipated resulting in the Board taking action to obtain a loan and initiate the immediate replacement of the Village pool. The Board is aware that the Harker pool has severe leaking, and its replacement is anticipated in the next few years. The Ad Hoc Committee was established to review usage and potential revenue generating options that will help offset the total amount of a special assessment required for the Harker pool replacement. The committee has started the review process and the entire Board will meet in a workshop in the next few weeks to discuss their findings and recommendations.

ADC Review

Architectural Design Committee Manager, Sue Ahern, reported on new constructions and remodel activity in 2019/20. Sue reminded owners to contact her prior to commencing any exterior alterations and stated that a large number of minor alteration requests can be administratively approved. Two (2) new subdivisions have come through ADC for approval. Crown Ranch Phase 5 consisting of 10 residential homes was approved and is currently under construction. The Sunshine Townhome project, located in the Village core, has been submitted to the ADC for review. Interested owners are welcome to listen in on a Zoom meeting scheduled for Wednesday, January 13th. Sue concluded her comments reporting that the real estate market soared on 2019/20 with 167 sales occurring in Elkhorn.

Communications

Communications Committee Chair, Grady Burnett, reported on the 2019/20 accomplishments. In 2019/20 the Committee continued replacing photos on the website. COVID-19 did create some problems with obtaining winter photographs on the Elkhorn lift ski run. Grady informed owners it has been approximately 10 years since the last owner survey and a new survey was created and ready to send to the membership. However, given the disruptive year for the amenity usage due to COVID-19, the committee decided to hold off sending the survey to owners until normal amenity operations resume. Over the past year, the Committee approved the use of Eblasts to keep owners regularly updated and informed on COVID-19 and road construction issues important to all Elkhorn owners.

Facilities and Open Space

Operations Manager, Jon White, informed the owners on the amenity improvements in 2019/20. Jon reported on the completion of the racquet sport facility in the Village, the current status of the Harker Center tennis court rebuild project, and the start of the Village pool and hot tub replacement. The Harker Center tennis courts are scheduled for completion in the spring of 2021 depending on weather and contractor availability. The contractor for the Village pool and hot tub replacement is continuing to work through the winter months. All rebar framing for the pool and hot tub is now done and shotcrete installation is scheduled to begin on January 11th. The Village pool and hot tub rebuild project is scheduled for completion by July 4, 2021.

Recreation and Events

Recreation Committee Chair, Anita Northwood reported that COVID-19 disrupted normal summer program operations, however, staff was able to provide a water aerobics program and limited Harker pool access utilizing a reservation system. Anita stated that everyone is looking forward to the new Village pool coming online this summer season and the possibility of increased recreational programming in 2021. Laurie Fitzpatrick reported that the Tennis and Pickleball facilities and programs saw a tremendous growth in 2020. Record numbers of participants and revenues were achieved. With the rebuild of the Harker tennis courts there is a lot of excitement going into the 2021 summer season.

RESULTS OF ELECTION OF BOARD OF DIRECTORS

Following the voting tabulation, Jim Laski reported that Pete Petersen, Laurie Fitzpatrick and Tom Kling received the highest number of votes and were elected for a three (3) year term to the Board of Directors.

OTHER BUSINESS

None

ADJOURNMENT

There being no further business, President Galloway adjourned the meeting at 4:20 p.m.

Respectfully submitted,

Tom Eklund, Secretary

/cw