

**SUN VALLEY ELKHORN ASSOCIATION
2022 ANNUAL MEETING MINUTES
Saturday, January 7, 2023, 3:30 p.m.
American Legion Hall**

BOARD MEMBERS PRESENT

Grady Burnett, President
Karen Curry, Treasurer
Tom Eklund, Secretary
Clark Furlow, Vice President
Tom Kling, Director
Kathy Large, Director
Marlene Fletcher, Director
Bob Diercks, Director
Pete Petersen, Director

BOARD MEMBERS ABSENT

None

ALSO PRESENT

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

CALL TO ORDER

President Grady Burnett called the Annual Meeting to order at 3:30 p.m. welcoming all. Grady reported that he would be stepping down from the Board having completed his maximum term on the Board. He reviewed his time with SVEA and thanked all the Board members for their service. SVEA Board Members, Staff, Legal Counsel were introduced.

ESTABLISHMENT OF A QUORUM

A quorum was established with 1152 owners represented in person or by proxy. Owners were offered annual meeting attendance options either in person or via Zoom webinar service. A quorum was achieved with 70.16% of the SVEA voting membership represented.

APPROVAL OF 2021 ANNUAL MEETING MINUTES (held January 8, 2022)

The 2021 annual meeting minutes were distributed to the membership prior to the meeting. President Grady Burnett called for a motion to approve the January 8, 2022 (2021) annual meeting minutes:

MOTION: Bob Diercks moved to approve the 2021 annual membership meeting minutes as presented, Tom Kling seconded, and the motion passed unanimously.

ELECTION OF BOARD OF DIRECTORS

President Burnett 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 reviewed the voting processes with those present. The candidates for 2023 are Rachel Clark, Tom Eklund and Jeff Mihalic. He instructed that owners present and those attending by Zoom who had not yet voted, or wanted to change their proxy, to email him directly during the meeting. SVEA staff was standing by to assist in this process. No changes or additions were received.

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

Mr. Laski announced the votes would be tabulated with election results reported later in the meeting.

FINANCIAL REPORT

CPA and SVEA Auditor, Scott Hunsaker with Mahlke, Hunsaker and Company, reviewed the 2021/22 audited financial statements. Scott reported that SVEA is in strong financial condition. Scott reviewed the balance sheet, and the operational and capital statement of Income and expenses. He expressed that the finances are maintained in accordance with generally accepted accounting principles, and he found no discrepancies or irregularities during the audit process.

General Manager, Chuck Williamson, reviewed the budgeting process and the 2021/22 budget results with those present. He explained the budget prioritization matrix that determines how the Board allocates the funds budgeted each year and how those funds are divided and maintained among the Operational and Capital Reserves. The operational budget ended fiscal year 2021/22 approximately \$9,500 or one percent (1%) over the projected budget. In 2022/23 the operational dues were increased by 5% due to inflationary increases in the budgeted expenses. He explained the operational cash flow projected with a 2% annual inflation rate indicates the dues could remain the same for an extended period. The capital reserve cash flow with the expedited Harker pool rebuild scheduled in 2022/23, results in a deficit of approximately \$584,000 at yearend. Chuck reported that a special assessment is under consideration for the replacement of the Harker swimming pool. He explained that the expedited scheduling is a result of water damage sustained to existing pool equipment when a fire sprinkler main froze and broke flooding the Harker Center basement. Pool and spa pumps, heaters, chemical feeders, salt systems, monitoring devices and electrical panels were submerged under 4.5 feet of water. It was determined that money from the equipment loss would be better spent on a new pool system rather than repairing or replacing existing equipment for a shortened summer season. Owners can find all financial information posted online at www.elkhorninsunvalley.com

2021/22 IN REVIEW

Board and Staff members reported on the 2021/22 accomplishments as follows:

Amenity Update

Grady Burnett commented that SVEA is in the process of replacing its 40-year-old amenities. The Village pool and tennis courts as well as the Harker tennis courts have all been replaced. The remaining major amenity due for replacement is the Harker swimming pool. The Harker pool is scheduled for rebuild starting in the spring 2023 and reopening in the summer of 2024.

Grady reported that electronic voting was implemented for this year's annual meeting and board election. Electronic voting was very successful with 50% of the owners using this method to submit proxies and vote for Board members. The combination of electronic voting and paper proxies/ballots resulted in over a seventy percent (70%) response from the membership. Grady thanked the owners for their overwhelming response saving SVEA time and money on the annual meeting mailing.

ADC Review

Architectural Design Committee Manager, Sue Ahern, reported on new constructions and remodel activity in 2021/22.

The Sunshine subdivision second and final phase was approved earlier in the year. There will be a total of 42 residential units at full buildout.

The Sleeping Deer subdivision (*Village Block 7 – Jadallah Property*) consisting of 19 rental units was submitted to the ADC for preliminary review. ADC members expressed their concerns and recommended a redesign be considered. Owners present expressed their concerns and requested the noticing requirements be expanded to be more inclusive for all owners in Elkhorn. Sue explained the noticing was done in accordance with the SVEA requirements in addition to all property managers of the neighboring sub-associations. Several owners expressed opposition to the project based on the current design, color and proposed roof top decks. Owners were assured they will be kept informed as this matter progresses.

Communications

Communications Committee Chair, Tom Kling, reported on the survey results. SVEA received 1100 responses. Tom informed those present that the comparison to the 2010 survey showed some interesting results such as that there are approximately ten percent (10%) more property owners are residing full time in Elkhorn. The number of children and grandchildren is down by approximately fifty percent (50%). Twenty five percent (25%) of all property owners have indicated they rent their property on a short or long term basis; however, forty percent (40%) of those renting their property indicate they are doing so on a temporary basis. Tom informed everyone that the survey information is available online. He stated that the eblasts by SVEA remain the most effective way to disseminate information and encouraged anyone who has not signed up for eblasts to consider doing so by contacting the administrative office.

Recreation and Events

Recreation Committee Chair, Pete Petersen reported on recreation and amenity activities. He stated that all four (4) tennis pros have indicated they will all be returning for the 2023 summer season. Tennis and pickleball activities continue have very strong participation levels which is expected to continue into 2023. Tennis and pickleball have generated over \$100,000 in gross revenues for the second year in a row. The programs and events held in 2022 were all very successful. The owner picnic, fishing derby, family programs, games/crafts, water aerobics and grilling classes were all sold out. Pete expressed that the Committee is looking forward to providing many of these activities again in 2023.

RESULTS OF ELECTION OF BOARD OF DIRECTORS

Following the voting tabulation, Jim Laski reported that Rachel Clark, Tom Eklund and Jeff Mihalic received the highest number of votes and were elected for a three (3) year term to the Board of Directors.

OTHER BUSINESS

Rental Amenity Access Fee – Jennifer Harper – 2084 – Ms. Harper expressed her opposition to the rental amenity access fee. She asked that the Board reconsider this policy expressing concern that in her opinion the policy is not in compliance with the Master Declaration. She expressed that the Idaho State statute says that the HOA can't impose a fee on short-term rentals to deter owners from renting their property and that the Board has declared rental users as a type of public user to justify implementing the fee. Grady assured Ms. Harper that the Board reviewed the concerns expressed as well as a significant amount of use data that showed 17,000 of the total 22,000 guest passes issued over a two-year period was related to short and long term rental property activity supporting the Board conclusions regarding the fee imposed.

Village Block 7 Development – Carol Benz – 7410 – Ms. Benz expressed her concerns about the Village Block 7 rental unit development (Sleeping Deer – Jadallah property) proposed. She conveyed that the color change proposed by the developer does not resolve the design concerns of the owners. She expressed the architectural design is not compatible with area development and should not be permitted. Others in the audience supported and agreed with Ms. Benz in her concerns.

Annual BBQ – Concern was expressed about the Annual BBQ and the waiting in long lines. It was requested that this problem be resolved in 2023.

ADJOURNMENT

There being no further business, President Burnett adjourned the meeting at 4:35 p.m.

Respectfully submitted,

Bob Diercks, Secretary
/cw