

**SUN VALLEY ELKHORN ASSOCIATION
2021 ANNUAL MEETING MINUTES**

**Saturday, January 8, 2022, 3:30 p.m.
Harker Center (Virtual Meeting)**

BOARD MEMBERS PRESENT

Dave Galloway, President
Karen Curry, Treasurer
Tom Eklund, Secretary
Grady Burnett, Vice President
Tom Kling, 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 2021. SVEA Board Members, Staff, Legal Counsel were introduced.

ESTABLISHMENT OF A QUORUM

A quorum was established with 902 owners represented in person or by proxy. Owners were in attendance via Zoom webinar service. A quorum was achieved with 54.93% of the SVEA voting membership represented.

APPROVAL OF 2020 ANNUAL MEETING MINUTES (held January 9, 2021)

The 2020 annual meeting minutes were distributed to the membership prior to the meeting. President Galloway called for a motion to approve the January 9, 2021 (2020) annual meeting minutes as presented:

MOTION: Bob Diercks moved to approve the 2020 annual meeting minutes as presented, Grady Burnett 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. The candidates for 2021/22 are incumbents Clark Furlow and Bob Diercks and property owners Jack Neiman-Kimel and Marlene Fletcher. 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.

FINANCIAL REPORT

CPA and SVEA Auditor, Scott Hunsaker with Mahlke, Hunsaker and Company, reviewed the audited financial statements with those present. Scott explained that financially SVEA is in strong financial condition. There are a few new additions to the balance sheet which include the asset addition for the Village pool and hot tub replacement and bank loans acquired for recently completed capital projects. Scott reviewed the operational and capital statement of Income and expenses. New revenue additions include Amenity Access

Fees used to offset operational expenses and Facility User Dues (Rental Amenity Access Dues) used for the long-term replacement of capital assets. 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.

SVEA Finance Director, Darlene Kuehn, reviewed the budgeting process and the 2020/21 budget results with those present. Darlene explained 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 2020/21 totaled \$1,001,000, however, actual expenses totaled \$983,000 or approximately \$18,000 (1.7%) under budget on the year. Darlene reported that the Operational Cash flow projections using a 2% inflation rate indicates that sufficient cash will be on-hand through 2026/27. However, if inflation continues at the current pace of 6% to 7% annually, this will alter the projections significantly. The Capital Reserve cash flow, with the incorporation of the Rental Amenity Access Dues, projects that in the year 2025/26 when the Harker pool is replaced there will be a budget deficit of approximately (\$542,000). The Board will be reviewing options to address this matter in the coming year. Darlene stated that owners could find all financial information posted online at www.elkhorninsunvalley.com

2021 IN REVIEW

Board and Staff members reported on the 2020/21 accomplishments as follows:

Amenity Dues and Fees

Dave Galloway reported that in the last 5 years that approximately 1/3 of all the properties in Elkhorn have changed ownership. This has created a new dynamic of increased short-term rental activity and the reduction in the long-term rental inventory. In addition, the amenity use incurs a significant demand by the evolving rental business activity. He explained the Rental Amenity Access Dues and Guest Fees were implemented in 2021 as an equitable usage solution. These dues and fees have generated an additional \$192,000 in capital collections and \$15,000 in operations. The Harker pool has reached its expected useful life and staff is working to find and repair leaks which could accelerate the need for replacement if the leaking continues. The Board will review the fees and policies on an annual basis for any needed adjustments.

ADC Review

Architectural Design Committee Manager, Sue Ahern, reported on new constructions and remodel activity in 2020/21. Two (2) new subdivisions Crown Ranch and Sunshine have been approved by the ADC. Crown Ranch Phase 5 consisting of 10 residential homes is currently under construction. The Sunshine Townhome project, located in the Village core, is expected to begin construction in the spring of 2022. The developers are in the City of Sun Valley review process. **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 2020/21 accomplishments. In 2020/21 the Committee utilized Eblast as the primary communication tool. Grady informed owners it has been approximately 10 years since the last owner survey. A new survey, created by the Communications Committee, was delayed due to COVID 19 and the rebuild of the Village pool and the impact they had on normal operations. There has been a substantial turnover in Elkhorn ownership in the past 5 years as reported by Dave and Sue and finding out more about the new Elkhorn owners is important moving forward. It is the Communications Committees intent to update the survey and solicit owner input on how they might envision the amenities developed into the future.

Facilities and Open Space

Operations Manager, Jon White, reported to owners on the amenity improvements in 2020/21. Jon stated the Village Pool, hot tub and Harker tennis courts replacement was completed. The Harker tennis courts will have new windscreen installed in the spring and a drinking fountain will be installed in the Harker tennis building. Staff has located areas of significant leaking near the diving board and plans to make

repairs have been scheduled. The planning process for the replacement of the Harker pool will begin this year.

Recreation and Events

Recreation Committee Chair, Pete Petersen reported that COVID-19 disrupted normal summer program operations, however, staff was able to provide a large number of summer programming activities. The summer programs were well received with all programs selling out and enjoyed by many of the Elkhorn owners and guests. Laurie reported that the racquet sport pros will be returning in 2022, and she anticipates another record season for racquet sports.

RESULTS OF ELECTION OF BOARD OF DIRECTORS

Following the voting tabulation, Jim Laski reported that Clark Furlow, Bob Diercks and Marlene Fletcher received the highest number of votes and were elected for a three (3) year term to the Board of Directors.

OTHER BUSINESS

Twin Creek Ponds – Kellee Burton – 1 Mock Orange

Kellee Burton expressed the value of the Twin Creek ponds to the entire Elkhorn Community. She explained the how important the area is for the children who fish and enjoy the use of the ponds. She reported on the importance to the area wildlife. She encouraged owners to support the effort to keep the ponds and voice their objections to SVEA's plans to remove the ponds. Dave thanked Mrs. Burton for her comments.

Rental Amenity Access Dues – Elizabeth Leland – Village 2020

Elizabeth Leland requested that the Board review the Rental Amenity Access Dues for equality across the size of the units being rented, whether being used for workforce housing and long-term versus short-term rental activity. Dave Galloway stated that the Board does review the dues and fees on an annual basis and will keep the members notified on any changes.

ADJOURNMENT

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

Respectfully submitted,

Tom Eklund, Secretary
/cw