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Presidents Message

Clark Furlow

Greetings;

In the April 2023 newsletter, I announced that SVEA would levy a special assessment to rebuild the Harker Pool. I also predicted that the assessment would put SVEA on “firm financial footing for the foreseeable future.” I was mostly right. SVEA’s finances are in good shape. However, a new Capital Reserve Study and a new policy regarding annual inflation will require SVEA to increase membership dues in the coming year. Let me explain.

SVEA’s Annual Dues Assessment

For bookkeeping purposes, SVEA allocates your annual dues payments between two accounts: (1) the operating account, which covers annual operating expenses, and (2) the capital reserve account, which accumulates funds to cover the cost of repairing or replacing SVEA's capital assets. Last year, SVEA’s annual dues were \$734

per household. Of that amount, \$626 went to the operating account and \$108 went to the reserve account.

At its September meeting, your Board, acting on the recommendation of SVEA’s Finance Committee under the leadership of Jeff Mihalic and Marlene Fletcher, voted to increase your annual dues by \$142. This increase will mean that next year’s dues will be \$876. Of that amount, \$688 will be allocated to the operating account (a \$62 increase) and \$188 will be allocated to the reserve account (an \$80 increase).

The \$62 increase in the operating allocation reflects additional costs associated with staff changes, the cost of operating the reopened Harker pool, and expected increases in taxes and insurance premiums. The \$80 increase in the capital reserve account was driven by this year's Capital Reserve Study.

(continues on page 3)



2024/2025 ANNUAL MEETING INFORMATION

SVEA Annual Meeting Available in Person and on Zoom!

We will hold the annual meeting on Saturday, January 11, 2025, at **St. Thomas Episcopal Church, located at 201 Sun Valley Road, Sun Valley ID 83353, in the meeting hall on the lower level of the church.** Please join us at 3:00 pm for a brief social time, which will include wine and hors d'oeuvres, before the start of the meeting. We will email a Zoom link to all owners prior to the meeting date if you are unable to attend in person. The Elkhorn HOA needs you! The HOA must meet the quorum requirement in the HOA documents to conduct any business at the annual meeting. Please take the opportunity to participate in the annual meeting by voting or submitting a proxy so that the HOA can meet the quorum requirement.

Online Proxy/Voting Available for 2025 Annual Meeting

You will have the opportunity to vote electronically using a third-party representative. This is a safe and efficient method to increase participation while saving both time and money. Each property with an email on file will receive an email invitation to vote. *Please be sure to add this email address, elkhornsun@ivotehoa.com, to your safe sender list/address book so you can participate in the vote.* If we do not have your email address on file, please contact the office as soon as possible at svea@elkhornnsunvalley.com. *On November 7, 2024, the HOA will send the emails to the primary property owners whose records are on file. If the property has multiple listed owners, only the primary owner will receive a voting email.*

Voting online is easy and quick! You will have three steps to complete the voting process!

1. Receive the email and click the link to go to the voting site (or go to the voting site and enter your code provided in the Vote Now secure email).

The Association's voting web address is: <https://elkhornsun.ivotehoa.com/register>

2. Register for the vote by entering your name, email, and creating a password.

3. Make your choices on the ballot and submit.

You will receive both an onscreen confirmation and an email confirming the recording of your vote once it's complete. The entire process takes only a few minutes—less time than it did to read these instructions! The online proxy and voting process offers all the features of a traditional paper proxy or ballot. Owners have the ability to assign their proxy to the board or another personal representative, which is similar to the paper proxy/ballot. We lock your online property account after your vote to avoid duplicate votes. You will be able to easily submit your proxy or vote in less than 5 minutes. **Please Note: Some of our owners may still prefer the paper copy option for submitting their proxy and ballot. On or around November 30th, we will mail a hard copy to owners who do not take advantage of the online voting option.**

"Every
election is
determined
by the
people who
show up."
— Larry J.
Sabato ,

The Capital Reserve Study

A Capital Reserve Study, which is performed about every five years, estimates: (1) the probable useful life of an HOA’s assets, (2) the probable cost of repairing or replacing those assets, (3) the HOA’s probable investment return on the funds held in its reserve account, and (4) the amount each homeowner should contribute to the reserve account each year to make sure the account has sufficient funds to meet capital needs when they arise.

SVEA hired a company that specializes in doing capital reserve studies. It initially recommended that each member’s annual contribution to capital reserves be increased to \$203, almost double the present amount. That increase was based on the general proposition that *all HOA’s should, at all times, maintain funds in their reserve accounts equal to 70% of “Full Funding.”* (“Full Funding” is defined as the total accumulated depreciation on an HOA’s assets. In other words, it is approximately what would be required to fix or replace all the assets at the same time. Because the need to do that is highly unlikely, an HOA is considered to be in a strong position if its capital reserves are at 70% of “Full Funding.”)

Your Board agrees with the goal of keeping the reserve account at 70%, but does not believe that, in SVEA’s specific circumstance, it is necessary to do that during the next few years. This is because SVEA’s primary assets have recently been replaced (the Village and Harker pools) or upgraded (the racquet sport facilities). They are in excellent condition, and thus, they are unlikely to burden SVEA’s capital reserves in the near term. Moreover, SVEA is still in the process of paying off the loan that funded the replacement of the Village Pool.

After a detailed examination of these and other factors, your Board concluded that each homeowner’s annual contribution to capital reserves could safely be set at \$188 per year. This will place SVEA’s capital reserves near 50% (the low end of the reasonable range) during the next few years while SVEA’s major capital assets are still relatively

new. And, after the village pool is paid off, it will bring the reserves up to approximately 70% when SVEA’s major assets are in the middle of their life expectancies and draws on the reserve account become more likely. In real numbers, this means that SVEA’s capital reserves will double to \$2.2 million in ten years and reach \$4.4 million in twenty. Your board believes this approach strikes the right balance.

Annual Inflation Adjustment

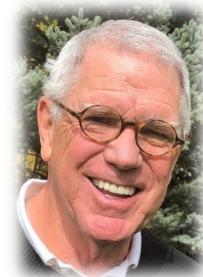
SVEA has also decided to adopt an annual inflation adjustment policy as recommended in the Capital Reserve Study. SVEA has only raised its dues eight times over the last 34 years. But some of these increases were as large as 18% and 21%. An annual dues increase that reflects the rate of inflation would be a fairer way to allocate the association’s capital reserve expenses over time as SVEA’s membership changes. Accordingly, from now on, SVEA’s annual dues will increase by an amount that reflects estimated annual inflation. Each year, the Finance Committee will review and approve the amount of this increase.

If you would like more information (and there is a lot of it), I invite you to read the minutes of the Finance Committee’s meetings held on August 22 and August 29, as well as the minutes of the SVEA September Board meeting. These minutes are posted on SVEA’s website.

A Final Thought

Fall is arriving, and winter is sure to follow. Please join me in making offerings to “Ullr,” the Norse god of snow, so that he will cover Baldy with powder. I’ll see you on the mountain.

Clark



If your HOA account is delinquent for more than 30 days, you will not be eligible to vote in the annual election. If your account is past due, now is a wonderful time to address the issue. The collection policy, also known as Rule #2, outlines the following guidelines: This policy is in accordance with Section 9.06 of the Master Declaration. We initiated the semi-annual payment on November 1, 2001, and it will persist thereafter. If the owner fails to make full payment within ninety (90) days of the billing date, we send a demand letter by certified mail, giving them thirty (30) days to do so. The account automatically receives a \$25 charge and late fees. If full payment is not received within the thirty (30) day period, the following action is taken:

A lien is prepared and recorded against the property, and a \$200 lien charge is charged to the owner. All owner/guest cards and amenity privileges are revoked. Revoked amenity privileges shall not be reinstated until such time as the account is current and the lien has been released.

The Credit Bureau of Blaine County is automatically notified through the Blaine County Recorder's office. All voting rights are suspended until the account is current and the lien has been released.

If full payment is not received, including all lien charges and other fees, within thirty (30) days following the filing of the lien, foreclosure proceedings or other legal actions will be initiated. All associated legal fees will be charged to the owner.

Notwithstanding the contrary provisions of paragraphs 1, 2 and 3, above, in the event of the commencement of a proceeding to foreclose a lien which would be superior to any lien filed against the property by the Association, the Association may immediately file a lien against the property and initiate foreclosure or other proceedings of its own. There are **NO EXCEPTIONS** to this policy. Everyone will be treated equally. Incorporated with our Collection Policy, the Board of Directors has approved the following billing policy:

Billing Date	Due Date	Semi Annual Period	Date late Charge Begins & Demand Letter Sent
November 1 & May 1st	Nov.30th & May 30th	November thru April May thru October	February 1st & August 1st



To address your past due account please contact the SVEA office at accounting@elkhorninsunvalley.com.

Tis the Season! Holiday Lighting

October/November is traditionally a time when many of our Elkhorn owners install outdoor lighting in preparation to celebrate the upcoming holiday season. To assist you in planning your lighting display, we offer the following simple guidelines as established by the City of Sun Valley:

- You can use residential holiday lighting from November 1 to March 15.
- The city strongly encourages the use of LED lighting.
- The city prohibits flashing holiday lights on residential properties.
- Holiday lights may be on **only between dusk and 11 p.m.**

Please turn off holiday lighting after 11 p.m.. We appreciate your cooperation in following these straightforward guidelines. Thank you!



Compliance Matters:

TRASH IN THE STREETS: Owners, please remember to **place your trash containers out for pickup on Tuesday** and not the night before. The elk and other animals are knocking over trash containers in search of food, making quite a mess in the neighborhood.

NOXIOUS WEEDS: Please be sure to plan for noxious weeds as they grow on vacant lots in the spring. Please either pull or spray noxious weeds to keep them from spreading onto neighboring property or into SVEA common areas.

Thank you!



Here are some helpful tips for cooking turkey.

Thanksgiving Preparations

- **How much meat per person?** 1 to 1/2 pounds of turkey per person.
- **How Long Does It Take to Thaw a Turkey?** 24 hours per every 5 pounds
- **How Much Salt Goes into Brine?** For every gallon of water needed to cover the bird, add 3/4 cup of kosher salt.
- **How Long to Brine a Turkey?** 8-plus hours in the refrigerator
- **How Long Should a Turkey Cook?** Approximately 20 minutes per pound
- **At What Temperature is Turkey Cooked?** The thigh meat and stuffing (if used) should register 165 degrees F.
- **How Long Should a Turkey Rest?** 30 minutes before carving



SVEA Financial Results - Fiscal 2023/24 Q3 (May thru July)

Balance Sheet as of July 31, 2024

Capital Reserves fund balance: **\$ 985,910** (down from \$1,711,798 at end of Q2 due to Harker Pool bill pmts)

Operations account balance: **\$ 641,609** (up from \$289,706 at end of Q2 due to 2nd half dues receipts)

Accounts Receivable: **\$95,173** (up from \$61,223 at end of Q2 due to 2nd half dues not yet collected).
Only 11 accounts are 90 days or more delinquent

Current Assets: **\$1,733,247** (down from \$2,068,782 at end of Q2 mainly due to Harker Pool bill pmts)

Fixed Assets: **\$6,263,625** (up from \$5,501,313 at end of Q2, due to Harker Pool construction progress)

Total Liabilities: **\$1,113,680** (down from \$1,154,169 due to Village Pool loan payments). VP Loan balance is \$1,030,496 at end of Q3.

Income Statement (YTD as of July 31, 2023)

Total Income: **\$1,607,878** (\$114,445 better than budget due to insurance claim proceeds & interest earned)

Total Expense: **\$1,025,272** (\$142,321 better than budget in both Operations and Capital spending)

Net Income: **\$582,605** (\$257,766 better than budget due to higher income and lower expenses)

Year End Forecast:

Expect to end the fiscal year with Net Income \$68,000 better than budget as we realize expected Q4 expenses)

Complete financial information is available online at www.elkhorninsunvalley.com.

Finance Committee meeting notes are available at www.elkhorninsunvalley.com//financial-reports



MOUNTAIN RIDES Red/Blue Route Winter Bus Schedule

Mountain Rides will again provide fun, easy, and **FREE** bus service within Elkhorn. The Mountain Rides winter schedule will begin on Thanksgiving Day, November 28th, and run until the end of ski season. This is a flag-stop service; all you need to do is stand on the side of the street in a safe location and wave at the drivers, and they will stop for you. For more information, please visit the website at www.mountainrides.org, download the Bus Tracker app to your phone, or contact Mountain Rides at 208-788-RIDE (7433). Printed bus schedules are available at the Harker Center office.

Elkhorn Quick Hits



Owner Guest Pass fee: At the fall board meeting, the board voted to increase the owner guest pass fee from \$5.00 per guest pass to \$10.00 per guest pass.

Goodbye to Chuck Williamson: Chuck has decided to retire a little early, moving into a consulting position with SVEA in October. The Board, Staff, and all of us at Elkhorn wish Chuck the best of luck, rest, and relaxation in his retirement. We will all greatly miss Chuck.

2024/2025 Assessments set and Budget Approvals: The Board approved the operating and capital budgets in the fall, setting the 2024–2025 budget at **\$876.00 annually. (The semiannual assessment will be \$438.00.)** The operating budget and capital budgets are available online at: <https://elkhorninsunvalley.com/financial-reports/>.

The Village Hot Tub will open for the winter season on the Saturday after Thanksgiving. If you would like to work at the tubs this winter, please contact the SVEA office at 208-622-7420.

BOARD APPROVES RENTAL AMENITY ACCESS CHANGES AS OF May 1st, 2025

During the September Board meeting the SVEA Board approved the following changes to the Rental Amenity Access Fee program:

Rental Administrative Fee: The mandatory Rental Amenity Fee will be reduced from \$600 annually to \$100 annually. All owners renting property in Elkhorn will be required to pay the Rental Administrative Fee even if they do not provide SVEA amenity access to their tenants.



Note: *For all owners renting their property on a 12-month lease, their tenants will have access to SVEA amenities at no additional charge. A copy of the lease indicating a 12 month duration must be provided to the administrative office.*

The following Amenity Access Pass Program will be made available for owners renting their property on a less than 12-month basis:

Standard Rental Annual Access Pass: \$900/Year

This short-term rental (less than 12 months) pass will allow owners to offer their tenants year around access to SVEA amenities.

Standard Rental Seasonal Access: \$850/Summer Season (May-October) \$150/Winter Season (Nov-April)

This short-term rental (less than 12 months) pass offers owners renting seasonally the ability to offer amenity access on a seasonal basis. Many owners may occupy their property personally during the summer or winter season and can opt to pay a lower fee.

Occasional Rental Access - Weekly Access: \$210/Week Summer Season Pass (May-October) \$ 40/Week Winter Season Pass (November-April)

This short-term rental (less than 12 months) pass offers owners renting on a short term or occasional basis the ability to offer SVEA amenities to their tenants on an as needed basis. No partial week or daily passes are available. The weekly passes are sold in seven (7) day increments at the stated weekly rate.

Sun Valley Elkhorn Association

FUTURE EVENTS

Board, Membership, and Sub-Association Presidents' Meetings

Date	Event or Meeting	Location
Friday, January 10, 2025	Board Meeting (2:00 pm)	Harker Center
Friday, January 10, 2025	Association Presidents' Meeting (4:30 pm)	Harker Center
Saturday, January 11, 2025	Annual Membership Meeting (3:30 pm)	St. Thomas Episcopal Church
Saturday, January 11, 2025	Board Meeting (After Annual Meeting)	St. Thomas Episcopal Church

