

**SUN VALLEY ELKHORN ASSOCIATION  
2023 ANNUAL MEETING MINUTES  
Saturday, January 6, 2024, 3:30 p.m.  
American Legion Hall**

**BOARD MEMBERS PRESENT**

Clark Furlow, President  
Tom Eklund, Treasurer  
Bob Diercks, Secretary  
Pete Petersen, Vice President  
Tom Kling, Director  
Kathy Large, Director  
Marlene Fletcher, Director  
Rachel Clark, Director  
Jeff Mihalic, Director

**BOARD MEMBERS ABSENT**

None

**ALSO PRESENT**

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

**CALL TO ORDER**

President Clark Furlow called the Annual Meeting to order at 3:30 p.m. welcoming all. Clark welcomed those in attendance and on Zoom. Chuck Williamson explained to the audience that staff was having technical difficulties with the Zoom connection and speaker system. American Legion hall representatives were unable to make the necessary repairs to their system to correct the situation.

**ESTABLISHMENT OF A QUORUM**

Jim Laski reported a quorum was established with 908 (55.29%) owners represented in person or by proxy.

**APPROVAL OF 2022 ANNUAL MEETING MINUTES (held January 7, 2023)**

The 2022 annual meeting minutes were distributed to the membership prior to the meeting. President Clark Furlow asked for a motion to approve the January 7, 2023 (2022) annual meeting minutes:

***MOTION: Tom Kling moved to approve the 2022 annual membership meeting minutes as presented, Pete Petersen seconded, and the motion carried unanimously.***

**ELECTION OF BOARD OF DIRECTORS**

President Furlow introduced legal counsel, Jim Laski, Inspector of Elections. Jim explained that three (3) directors are elected each year to serve a three (3) year term. Mr. Laski reviewed the voting processes with those present. The candidates for 2023 are Tom Kling, Kathy Large, Scott Pertel, Pete Petersen and Christian Wrede as a write in candidate. He asked if any owners present and those attending by Zoom who had not yet voted, or wanted to change their votes, to indicate by a show of hands. SVEA staff were standing by to assist in this process. No changes or additions were received.

***Nominations Closed: Jim Laski asked if there were any additional nominations from the membership present, 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**

Finance Committee Chair, Jeff Mihalic reviewed the results of the 2022/23 audited statements as prepared by Mahlke, Hunsaker & Company PLLC. Jeff reported on the Financial Priorities Achieved in 2022/23 which included the following:

- Special Assessment to fund the rebuild of the Harker Pool & Spa.
- Encouraged up front Special Assessment payment to avoid additional debt.
- Establish path and timetable to retire Village Pool reconstruction debt.
- Monitor SVEA's monthly financials and provide budgeted income and spending oversight.
- Monitor Harker Pool rebuild expenses and progress to ensure \$2M budget compliance.

Jeff reviewed the 2021/22 and 2022/23 year to year Balance Sheet comparison and reported that Current Assets at fiscal yearend 2022/23 totaled \$1,984,481. Over \$1.2M of cash on hand has been invested in short-term treasuries. Approximately 75% of the property owners took advantage of the 4% discount offered for advance payment of the Harker Pool assessment. SVEA has been earning over 5% interest on treasury investments to help offset the discount offered to owners. The Capital Fund balance at yearend was \$1,731,333 and the Operational Fund was \$253,148. Fixed Assets increased by \$951,789 due to construction in progress on the Harker pool. The Harker pool expense at the fiscal yearend totaled \$1,199,733. The Village Pool loan was reduced by \$143,019 in 2022/23 leaving a balance of \$1,140,872. Homeowners Equity at fiscal yearend 2022/23 totaled \$6,294,127.

Review of the profit and loss statements ensued. Jeff explained Operational Revenues in 2022/23 were \$1,095,510 and Operating Expenses totaled \$1,108,065 resulting in an operating loss of \$12,555. Legal expenses were the primary cause of the shortfall exceeding budget by \$20,208 due to SVEA engagement of third party attorney in response to development issues in Elkhorn. Capital collections totaled \$2,040,597 driven primarily by the Harker pool special assessment while expenses incurred were \$44,517 in Village pool loan interest. The Harker Pool rebuild spending of \$1,199,733 reduced net income to \$796,347 at yearend 2022/23.

Jeff reviewed the financial priorities for 2023/24 which include the following:

- Hold homeowner dues flat for the fiscal year. (Done)
- Budget for management transition and higher legal expenses. (Done)
- Complete Harker pool rebuild on budget and on schedule.
- Update Capital Reserve Study to reset annual capital requirements.
- Refine Village Pool loan payoff. (1<sup>st</sup> half 2025)
- Establish plan and timetable to restore Capital Reserve to appropriate levels.
- Establish budget for 2024/2025 fiscal year.

Jeff explained that to maintain the annual dues at the current levels, the total dues were reallocated shifting a portion of the capital funds collected to operations on a one year basis. In 2022/23 the dues total of \$734 was allocated \$577 to operations and \$157 to capital reserves. In 2023/24 the total dues of \$734 will be reallocated \$626 to operations and \$108 to capital reserves.

Operational budget revenues will increase by approximately 12% to \$1,204,292 with the dues reallocation which is intended to offset the anticipated expenses totaling \$1,210,020 in 2023/24. The increase is necessary to expend funds on Legal Fees which have been increased to \$75,000 and Administrative Payroll budgeted at \$417,500 to fill the Office Administrator and General Managers position in the next fiscal year.

Capital Budget revenues are projected to be \$392,336 consisting of Homeowner Dues of \$177,000, Rental Amenity Access Dues of \$170,000 and \$45,000 in Interest earned. Capital expenses are projected at \$974,154 with the majority expense attributed to the Harker Pool rebuild.

To conclude, Jeff reported that SVEA is on solid financial ground heading into 2023/24.

## **2022/23 IN REVIEW**

Board and Staff members reported on the 2022/23 accomplishments as follows:

### **Amenity Update**

#### ***Rebuilding of the Harker Pool***

Chuck Williamson reported that the Harker Pool is currently on schedule for the anticipated July 4, 2024 opening. The pool cost remains on budget; however, it is expected to be very close to the \$2M projected cost. The pool contractor is set to begin the pumphouse remodel and equipment placement over the next few weeks. As weather permits, the pool deck, drainage, artificial turf, shade structures and fencing will be installed. Materials will be ordered in the next few weeks to be on hand to complete the project as scheduled. The pool and hot tub will be salt generated chlorine. The Village pool and hot tub are liquid chlorine sanitized.

### ***Village Parking***

Chuck explained that with the Elkhorn Springs construction issues, additional pressure will be placed on the Village parking area. As work is done on the structures, the Elkhorn Springs owners may need to park in the Village parking area. He asked those present to be mindful of the situation and consider walking, biking or carpooling to the Village pool and racquet sports facilities. ESMA and SVEA will continue discussions with the Sun Valley Company regarding this matter.

### **ADC Review**

Architectural Design Committee Manager, Sue Ahern, reported on new construction and remodel activity in 2022/23. She stated that in the past three years thirty two (32) new homes were approved. There were 3 new homes approved in 2023 and she had received calls indicating that four (4) new homes may be reviewed soon.

Clark Furlow reported on the following:

***Jericho Project (Village Block 7 – Jadallah Property)*** – Clark reported that easement and construction issues are being reviewed by legal counsels for Elkhorn Springs Master Association and the Jadallah's. Clark explained that SVEA and Jadallah's, working in good faith, could not reach a suitable agreement for SVEA to acquire the property to preserve as a small park and additional parking area. Owners will be kept informed as this matter progresses.

***Community School Rezone Application*** – The Community School has received approval from the Sun Valley Planning and Zoning. Review by the City Council has been continued to the next scheduled meeting in February. SVEA has hired Fritz Haemmerle to approach the Community School to move ahead on annexation of the Arrowleaf subdivision which would allow control under the Master Declaration and architectural design guidelines. Owners will be kept informed as this matter progresses.

### ***Communications***

Communications Committee Chair, Tom Kling, reported that SVEA has been working to improve the eblast and newsletter communications which is the primary means to keep owners informed on Elkhorn issues. Approximately 90% of the owners have provided their email addresses and receive the eblasts from SVEA. He encouraged those who do not receive the eblast to sign up to keep informed. SVEA would like to become the trusted official news source on which the owners can rely for accurate information. This might be achieved with more frequent eblasts on important issues and topics of the day.

### ***Recreation and Events***

Recreation Committee Chair, Pete Petersen reported on recreation and amenity activities. He informed those present that the racquet sports program had another record year in 2023. All programs in 2023 were very well attended and many were sold out in advance. The fishing derby continues to be a great program to start the summer program season. Pete encouraged those present to sign up for the Grilling nights as this is a great evening with food prepared by excellent local chefs. In 2024, the Recreation Committee and Racquet Sports Committee will try to reinstate Elkhorn \$5 Burger Nights along with a new program Dinks and Drinks with extended pickleball hours that would include a weekly evening social.

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### **RESULTS OF ELECTION OF BOARD OF DIRECTORS**

Following the voting tabulation, Jim Laski reported that Pete Petersen, Tom Kling and Scott Pertel were elected to the Board of Directors for a three (3) year term. The votes received were as follows: Pete Petersen (536); Tom Kling (525); Scott Pertel (392); Kathy Large (390) and Christian Wrede (171).

### **OTHER BUSINESS - None**

### **ADJOURNMENT**

There being no further business, President Furlow adjourned the meeting at 4:45 p.m.

Respectfully submitted,

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Bob Diercks, Secretary

/cw