



ELKHORN IN SUN VALLEY

Sun Valley Elkhorn Association Board of Directors Meeting Minutes Thursday September 4, 2025

Attendance

Board Members	Staff, Counsel & Others
Jeff Mihalic- President	Jim Laski- Legal Counsel
Oleg Elkhunovich– Vice President	Linda Horensavitz- General Manager
Tom Eklund – Treasurer	Sue Ahern, SVEA Staff Member
Pete Petersen – Secretary	KoriOnna Brune, SVEA Staff Member
John Sobba – Director	
Tom Kling- Director	
Rachel Clark – Director	
Marlene Fletcher – Director (zoom)	Owners and Others:
Board Members Not Attending	8 Owners attended by Zoom
	8 Owners attended in person

Call to Order

Jeff Mihalic called the meeting to order at 2:02 PM and explained that Scott Pertell resigned from the Board and that the board is working to fill it.

Establishment of a Quorum

Eight (8) directors were present in person and/or by Zoom to establish a quorum, both in person and by Zoom.

REPORT FROM THE SUN VALLEY MAYOR

Mayor Hendricks and his staff were not present due to a City of Sun Valley meeting scheduled for the same day.

OWNERS ADDRESSING THE BOARD

Kathleen Romito – Owner who resides in a first floor unit adjacent to the Village Pickleball Courts thanked the board for all they do and addressed the Board on her ongoing concerns about the pickleball noise. This owner also offered to connect the Board with resources related to Pickleball noise.

Sandra Marshall Cooke- An owner who resides in the Sunrise area of the neighborhood expressed her concern with the board's prior decision not to address the western water hemlock plant in the Sunrise area. She is requesting that



the Board reconsider addressing the plants for future action. Mrs. Cooke also mailed a letter to the Board President and Vice President. Jeff Mihalic noted that we had not yet reviewed her letter and would respond shortly.

Dick Lebar—an owner who resides in the Ridge community—inquired after:

- SVEA's requirement for Sunshine Development to be completed? Any timeline requirements would be set by the City of Sun Valley. Sue Ahern noted that it is our understanding that the developer may have been granted an extension by the city. The project is about 25% completed based on the number of units completed and paying dues.
- Does SVEA have an update on the Jericho Project? Jeff Mihalic noted that nothing has been submitted to SVEA for review & approval.

APPROVAL OF THE FINANCIALS

Jeff Mihalic presented the 2025/2026 third quarter YTD financial statements (ending July 31, 2025). These statements were included in the board packet along with a summary. The Finance Committee has reviewed and approved these financial statements and recommends board approval. Jeff provided the following highlights:

Overall Net Income (Ops + Capital)—YTDYTD income is \$498,401, which is \$94,532 above the YTD budget for the operations side. The better-than-budget performance is driven primarily by continued lower-than-planned management expense and better-than-planned amenity access uses (which continue to grow as landlords sign up for amenity access for their tenants during the summer months). Because we are doing a good job in net income we are no longer concerned that we will end the year with a negative result in operations (because of the need to increase seasonal payroll).

Cash Flow— (\$132,717) Cash was consumed in the month of July due to the negative net operations income and a decrease in accounts payable. We expect similar levels of cash consumption for operations in Q4 (August, September, and October) as we wind down our amenities. If this is true, we will end the year with an overall positive net income.

The Balance Sheet—Total assets ended Q3 at \$7,829,614. is an increase of \$430,054 versus the end of Q2 due to the collection of second-half dues in May, offset by negative net income in June and July. Total liabilities dropped to \$962,022 at the end of Q3, which is a reduction of \$37,920 due to payments of principal on the Village Pool Loan. Total equity ended Q3 at \$6,867,592, up \$467,975 from the end of Q2 due to the increase in assets and the reduction in liabilities.

Accounts Receivable—Overall AR dropped from \$72,519 at the end of June to \$61,717 as of August 25. Unfortunately, most of the AR in the 1–30-day category has moved to the 61–90-day category, and nearly all of it is unpaid 2nd half dues of \$438 per property. It seems we are only able to drive AR down when staff has the time to focus on the issue and make calls to homeowners. We still have several homeowners fail to understand the importance of paying their dues in a timely manner. The staff are actively pursuing these accounts in accordance with the SVEA collections policy.

The treasury direct funds have been retrieved and are in the process of being transferred to SVEA's investment accounts.

Tom Eklund moved to approve the third quarter financials as presented, Pete Petersen seconded, and the motion passed unanimously



2025/2026 Fiscal Budget

Jeff Mihalic presented the proposed draft budgets for 2025/2025:

2025/2026 Operating Budget Overview

The Finance Committee is requesting an increase of \$28.00 annually, on the current operating assessments:

Operations Dues- Annual operating dues are budgeted to increase by 3.1% from \$688 to \$710 per year. This equates to dues revenue increase of \$40,878 and is required to support the budgeted increase in SVEA's operating expenses. The US National CPI (Consumer Price Index) has increased 2.7% over the past 12 months, while the Western US region CPI increased 3.0% over the same period. Additionally, the US National PPI (Producer Price Index) for goods and services has increased 3.2%, somewhat higher than the CPI increase which could indicate growing inflation. Therefore, we view 3.1% as an appropriate dues increase. The following major expenses driving the budget and significant offsets were reviewed:

Major Expense Drivers- Operations Budget

(New Part Time Payroll) -Assistant Operations Manager	\$ 32,000
(431) Payroll- Full time Acctg, +3% COLA, less GM overlap	\$ 13,633
(440) Postage – Rate increase & 4x/Year Newsletter mailings	\$ 14,125
(410) Meeting Expenses (after reduced funds for annual picnic)	\$ 9,000
(434) Retirement- 401K match, new employees now eligible	\$ 9,500
(430) Employee health insurance- Net increase w/ eligibility	\$8,181
(432) Payroll tax- increase with salaries	\$ 8,050
(475) Snow removal- match actual 2024 actual	\$ 14,000
(509) Village Pool- Seasonal Staff, match 2025 actual hours & rates	\$ 9,800
(811) Open Space- trail maintenance/Firewise brush clearing	\$ 9,500
(516) Harker Pool Electricity- Match 2025 actuals	\$ 4,900
(627) Racquet Sports Housing- Stipend to match actual 2025	\$ 6,000
Total _Major Expense Increases	\$138,689

Significant Offsets:

(401) Legal budget reduced to \$40,000/year	(\$35,000)
(524) Harker seasonal payroll reduction – no winter spa ops	(\$21,700)
(528) Harker Pool/Spa cleaning reduction – no winter spa ops	(\$7,000)
<u>Net Other small changes</u>	<u>(\$7,071)</u>
Total Offsets	(\$70,771)

Net Operations Budget Increase 2025/2026 vs 2004/2025 **\$67,918**

The board engaged in a discussion regarding the opening of the Harker hot tub for the winter season, and that due to financial reasons (to keep the assessment increases at 3%, as the board told the ownership last year), this item



had been removed from the budget. The board can consider whether an option for a more economical way to open the facility on a trial basis can be considered at a later stage.

(Suggestion: three days a week for four hours a day, Friday, Saturday, and Sunday, 4:00 pm to 8:00 pm)

Jeff Mihalic presented an overview of the Capital Reserves budget and analysis- Capital Reserves are forecast to remain flat during the current year due to efforts made this year to reduce actual capital spending. Because of the modest deficit built into the 2025/26 budget, our reserves are forecast to drop by \$30,158 to \$1,179,611 by the end of fiscal 2025/26. Our reserve funding status would drop from 67% at the end of 2024/25 to 60% by the end of 2025/26 even though actual reserve levels decrease only slightly from year to year. This is because the future requirement for capital investment continues to grow, and our reserves do not grow commensurately largely because we are still paying off the Village Pool loan (\$186K/year) for the next five years. During this five-year period, it is quite likely that our reserves will continue to fall, and our funding status will drop from 60% to 38% during that timeframe. Longer term, the forecast funding level at year 10 is 46% while the reserves increase to \$1.9M. Remember that our long-term reserve target is 70%, and we now forecast it to fall somewhat short of that target by year 20 (reaching only 64%).

The negative near-term trend is not unexpected as the board discussed it thoroughly before setting dues for the current year. What is new is the fact that we've identified many new capital requirements that were not included in the capital study. Remember that the dues calculated from our capital analysis only fund replacement of Capital items. They do not fund new items.

Risks- The Harker building is more than 40 years old. The infrastructure is aging and may need replacement before the planned dates. The electrical and plumbing components are beginning to fail, and partial replacements began this year. More are planned for next year but could exceed budget. Our computer systems require significant manual intervention as they are not interconnected, placing a continuous burden on staff and making staff turnover more difficult to manage. The Ally computer system is homegrown and the support staff in Twin Falls has difficulty making revisions to align it with the website upgrades. The new Harker Pool is presenting challenges that result in unplanned closures. Plumbing and electrical issues continue to appear and require Capital to replace re-purposed components. The pool vendor may be liable to correct some of these issues under warranty. Pond dredging is not included in the budget and has been pushed to future years.

Future Action Needed- During next year, Staff will need to review the capital spending forecast for the next five years to push any items that can be deferred in order to manage our reserves to acceptable levels. It is likely, and appropriate, that Capital dues increase more than the amount of CPI in the coming years to pay for the new capital



items while improving our reserves funding level. Jeff pointed out that in coming years (most likely starting next year) the Board will need to increase the capital assessment by \$15 to \$25 to reach the previously set funding goals.

Jeff Mihalic stated that the Finance Committee recommends Board approval of the 2025/26 Operations and Capital Budgets and Annual Operations and Capital Dues as proposed. The Committee also recommends that the Board direct Staff and the Finance Committee review the Capital Reserves Analysis through year 10 (2033/34) and present the Board with their recommendations at the July 2026 Board meeting to achieve 50% reserves funding level by the end of year 10.

The Board discussed the need to and the impact of increasing the capital assessments more than three percent. After much consideration on the impact on the owners, the SVEA budget and financial standing, the cost of living increase in the area, a comparison to the other HOA's in the area the motion below was made:

Oleg Elkhunovich moved to approve the 2025/2026 operations budget as presented and to set the annual assessments at \$710.00. Peter Petersen seconded, and the motion was passed unanimously.

Rachel Clark motioned to increase the recommended capital dues assessments from \$194.00 annually to \$210.00, Oleg Elkhunovich seconded, and the motion was passed unanimously.

Tom Eklund motioned to approve the capital budget, as discussed above, Rachel Clark seconded, and the motion passed unanimously.

Linda Hornesavitz requested that the board establish October 20, 2025, as the date of record for the annual meeting, before online voting is submitted. This will establish a date that new owners will need to register with the SVEA in order to be eligible to vote in the annual election.

Peter Petersen moved to set the annual meeting date as Saturday, January 10, 2026, and the date of record as 60 days prior to that date, it was seconded by Tom Eklund and passed unanimously.

Oleg Elkhunovich motioned to amend the prior motion to set the date of record for 61 days prior to the meeting in accordance with the required law, it was seconded by Tom Eklund and passed unanimously.

Oleg Elkhunovich presented a recommendation that SVEA maintain the same composition of the Nomination Committee as in prior years: three past board members, two current board members, and two homeowners, and to fill those positions with the following volunteers, with the board authorizing Oleg to appoint a volunteer to fill the one remaining open spot.

3 Past Board Members: Nancy Ayseklis, Bob Dierks & Open Spot

2 Current Board Members: Oleg Elkhunovich & Jeff Mihalic

2 Homeowners: Alan Stevenson & Ken Luplow



Peter Petersen moved to maintain the same composition of the Nomination Committee as in prior years as three past board members, two current board members, and two homeowners, and to fill those positions with the following volunteers, with the board authorizing Oleg to appoint a volunteer to fill the one remaining open spot.

3 Past Board Members: Nancy Ayseklis, Bob Dierks & Open Spot

2 Current Board Members: Oleg Elkhunovich & Jeff Mihalic

2 Homeowners: Alan Stevenson & Ken Luplow

Tom Eklund and the motion was passed unanimously.

It was noted that the appointment of the open position would be discussed in executive session so that Jim Lkasi can advise on the decision.

Other Business

No other business items were discussed.

Staff Reports

Linda Horensavitz provided a staff update that included some of the following

The SVEA annual meeting will be held on Saturday, January 10, 2026, 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. This is the same location as last year.*

- To ensure you receive your voting materials by email, if you have not, please fill out the Authorization for Electronic Notice, which is available at the sign-in table.
- The annual audit is scheduled for November 19-21st. We will use the same firm as in prior years.
- The Harker Center will have the water meter replaced on Monday, 9/8/25. I will be in the office to assist you, but the building will not be open due to the water being off.
- I will be out of the office from October 6th to 13th; four days of that time I will be at a CAI class, two days will be travel, and two days will be vacation days.
- It was noted that as of August 25, 2025, in the past 30 days we have had 5131 pool patrons checked into the pool.
- The Village Pool Facility's last day of the summer season is Monday, September 15, 2025 (the facility is closed until the winter season), and it reopens the Saturday after Thanksgiving.
- Our new accounting staff starts September 15, 2025.
- The call for nominations has been provided, and a reminder will be sent about September 15th.
- Thank you all for a great summer.

Committee updates

Communications Committee – Tom Kling

- o Provided an update on the new website; we still anticipate that the website will be ready for the annual meeting.



Executive Committee—Jeff Mihalic provided an update. The committee met twice last quarter:

- Review and approval of the administrative staff payroll
- Website Change Order for CMG—Additional scope of work to include the calendar and events
- The approval of HVAC units at the Harker Center failed and needed to be replaced.
- The appointment process for Scott Pertell
- Review and approval of the Sagewillow Annexation Documents

The Finance Committee, led by Jeff Mihalic, has no other items to report.

- As of January 2026, we will have a new Finance Committee member, Mr. Michael Weiss; he taught accounting at the college level and manages a P & L at his law firm. We are excited to welcome him to our team.

Fire Safety Committee: Tom Kling

- The committee met with the City of Sun Valley and reviewed the Fire Maps.
- The city is still hopeful to obtain an answer on the federal grant to address the Elkhorn corridors in the November timeframe. Action would be taken in 2026 if funding is approved.

Recreation Committee, Peter Petersen, thanked the staff and reported that all events went very well. Peter met with staff to review the options for the Owners' picnic and how to save money: SVEA will do the following: Sue Ahern will obtain bids from caterers, we will simplify the menu, all board members are requested/strongly encouraged to participate (volunteer for the event). The Board can consider allowing fewer owners and charging for the event. Mr. Petersen requested that the board open the Harker pool and consider increasing the guest fees for the facilities. John Sobba commented on the excellence of the facility staff this summer.

Governance Committee—Oleg Elkhunovich provided an update on the governance committee; the committee has not met since the last board meeting. They are working on long-term projects.

Racquet Sports—Linda Horensavitz gave an update. Scott Teller is not returning next year; we are sad to see him leave us. On September 10th from 3:00 to 5:00 PM, please join us for a going-away party. We congratulate Scott on obtaining his year-round position. SVEA has begun the process of filling the position.

Vision Committee – Marlene Fletcher mentioned that it is always nice to receive input and that she is working on a possible food truck being available at the Village Pool area next year.

Other Business:

Rachel Clark researched guest fees at other local facilities; in the area they range from \$15.00 to \$60.00. We need to increase the guest fee at the racquet sports facilities for non-owners that are not staying with owners at their homes. This will help to offset any additional cost for a new racquet sports director. After a board discussion on the possible income and both negative and positive effects on the association, the motion below was made.

Rachel Clark moved to increase the guest pass fee as of January 1, 2026, for the racquet sports to \$15.00 and leave the pool facilities guest pass at \$10.00. Oleg Elkhunovich seconded the motion, and it passed unanimously.



EXECUTIVE SESSION

Motion: Peter Petersen moved pursuant to section 55-3204 (2) of the Idaho Homeowner's Association Act and Article V, Section 12 of the SVEA Bylaws that the Board adjourn this meeting and reconvene in Executive Session for the purpose of consulting SVEA's attorney for legal advice related to potential legal action. We will also discuss sensitive personnel matters. We will ask Linda Horensavitz, our general manager, and Clark Furlow to remain for the executive session. Rachel Clark seconded, and the meeting moved to the executive session.

Motion: Oleg Elkhunovich moved to come out of the executive session and returned to the general session, Rachel Clark seconded, and the motion passed unanimously.

The Board discussed the most qualified candidate to fill the open board seat and then the motion below was made.

Motion: Oleg Elkhunovich motioned to appoint Clark Furlow to the open board seat left vacant by Scott Pertel's resignation, with Clark Furlow's term beginning on the anniversary of his prior term's expiration (1/11/2025). Rachel Clark seconded, and the motion passed unanimously.

Motion: Oleg Elkhunovich, moved pursuant to section 55-3204 (2) of the Idaho Homeowner's Association Act and Article V, Section 12 of the SVEA Bylaws that the Board adjourn this meeting and reconvene in Executive Session for the purpose of consulting SVEA's attorney for legal advice related to potential legal action. We will also discuss sensitive personnel matters. We will ask Linda Horensavitz, our general manager, and Clark Furlow to remain for the executive session. Rachel Clark seconded, and the meeting moved to the executive session

Motion: Peter Petersen moved to come out of the executive session and returned to the general session, Rachel Clark seconded, and the motion passed unanimously.

Pete Petersen moved to adjourn the meeting; it was seconded, and the meeting was adjourned at 5:03 pm.

Respectfully submitted

Peter Petersen, Secretary