

DRAFT

Star Valley Ranch Association
Board of Directors Meeting
November 19, 2011
9:00 a.m. Town Hall

Jere Kovach: Chairman
Mike Blackman: Vice Chairman
Kathy Daulton: Secretary /Treasurer
Gary Braun: Director-via phone
Derk Izatt: Director
George Toolson: Director-via phone
Alycyn Culbertson: Director-absent

Call to order:

Chairman Kovach called the meeting to order at 9:03 a.m. Chairman Kovach stated that there was a Quorum and called for the Pledge of Allegiance.
Recognition of the Town Council.

1. Adopt Agenda:

- Secretary/Treasurer Daulton made a motion to adopt the amended agenda.
Vice Chairman Blackman seconded the motion.
Motion passes unanimously.

2. Approval of Minutes for October 2011 Board Meeting:

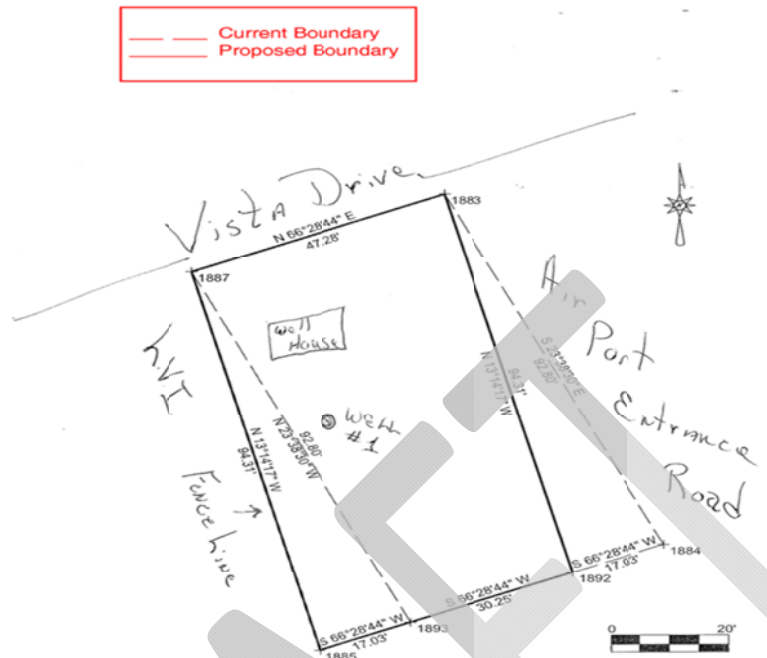
- Secretary/Treasurer Daulton made a motion to approve the October 2011 Board Meeting Minutes as written.
Director Izatt seconded the motion.
Vice Chairman Blackman abstained.
Motion passes.

3. Standing & Special Committee Reports

A. Utilities Report: Vice Chairman Blackman gave the following report:

The state water board is scheduled to meet this week to consider the point of diversion for the Green Canyon system. This will formalize the diversion points for LVI and the Association. No problems are anticipated.

The Town has approached the Association for a land swap on the airport property to make the



area for the water well and protective structure more compatible to the actual surface conditions. This area is shown on the screen (above is the map displayed). The swap will be of equivalent areas and is outside of the area covered by the DCC&Rs and as such will not require a vote of the members of the Association.

Mayor Siddoway stated that he received a call from the surveyor, Lloyd Baker and he is going to prepare 2 quit claim deeds: "1 for the solid line and we will then quit claim to SVRA what is not included in the solid line. Between the solid line and Vista Drive there is about 7 feet. We would like to bring that line out about 7 feet so that it comes right to the road. If there are any problems with that please let us know. Otherwise, the deed from you to us makes the rectangle 7 feet higher on the chart."

Director Blackman asked if the Mayor or the Town would move it up 7 feet at the bottom so the land is equivalent.

Mr. Siddoway said that he believed that he could.

Secretary/Treasurer Daulton asked why they would like the 7 feet of ground.

Mr. Siddoway answered by saying that the Town needed access to the ground and our property has their property surrounded. He asked that if we don't deed the 7 extra feet, if we could deed them a perpetual easement so they may have access.

Mr. Siddoway said that they would just fence it as is.

Vice Chairman Blackman and Mr. Siddoway agreed that they would work out an easement.

- Chairman Kovach made the motion that Star Valley Ranch Association approve the Airport 1 land swap as presented and the Board authorize Chairman Jere Kovach to proceed with preparation of appropriate quit claim deeds and conclude the negotiations with the Town of Star Valley Ranch.
Director Gary Braun seconded the motion.
Motion passes unanimously.

B. Finance & Legal Report: Chairman Kovach gave the following report:

The Finance and Legal Committee did not meet this month, but this report will include our budget and assessment. First thing we wanted to list is: The presentation is reproduced as follows:
What are our goals?



The vision of the SVRA is to provide and promote well-maintained facilities and promote affordable recreational and social opportunities for its community under the provisions of the DCC&Rs.

**2012 Budget Goals
To Achieve Continuous Improvement**

- Recreational Improvements – Pool Furniture, Snow Grooming Equipment For Trails/Sledding, & Cedar Creek Park Improvements For Basketball & Volleyball Courts
- Cart Path Improvements
- Driving Range Improvements – Use & Safety
- Golf Course Sprinkler Controls/Power Replacements
- Golf Course Equipment – JD Replacement Parts
- RV Parking Area Development
- Grill - Minor Expansion & Duffer’s Food Equipment
- Community Center Capital Reserve

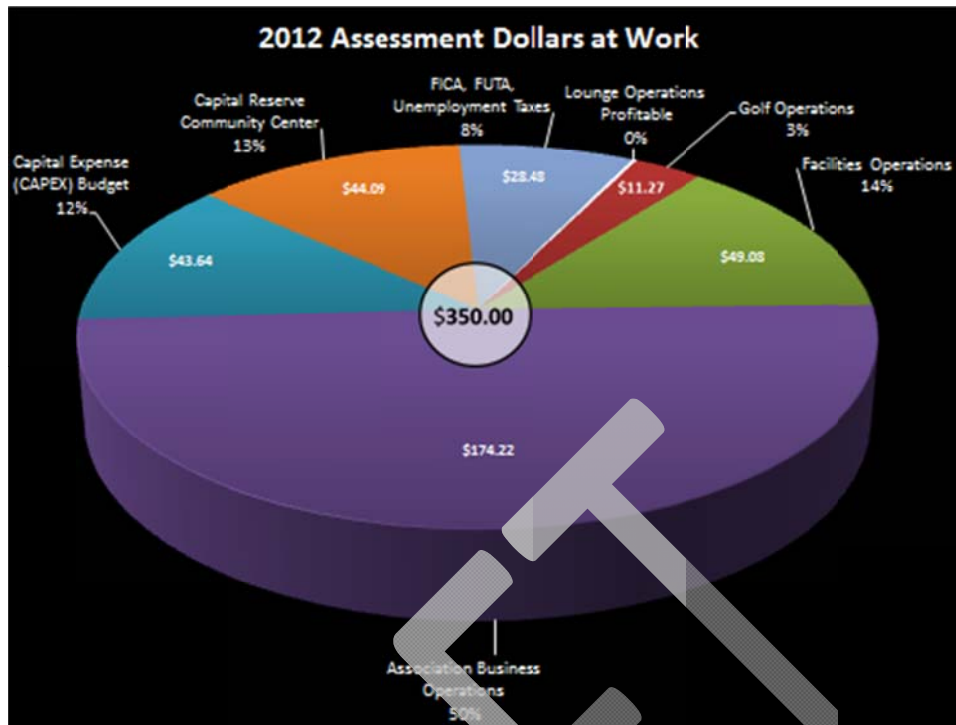
What could the maximum assessment be for 2012?

The Maximum Annual Assessment is determined using the formula:

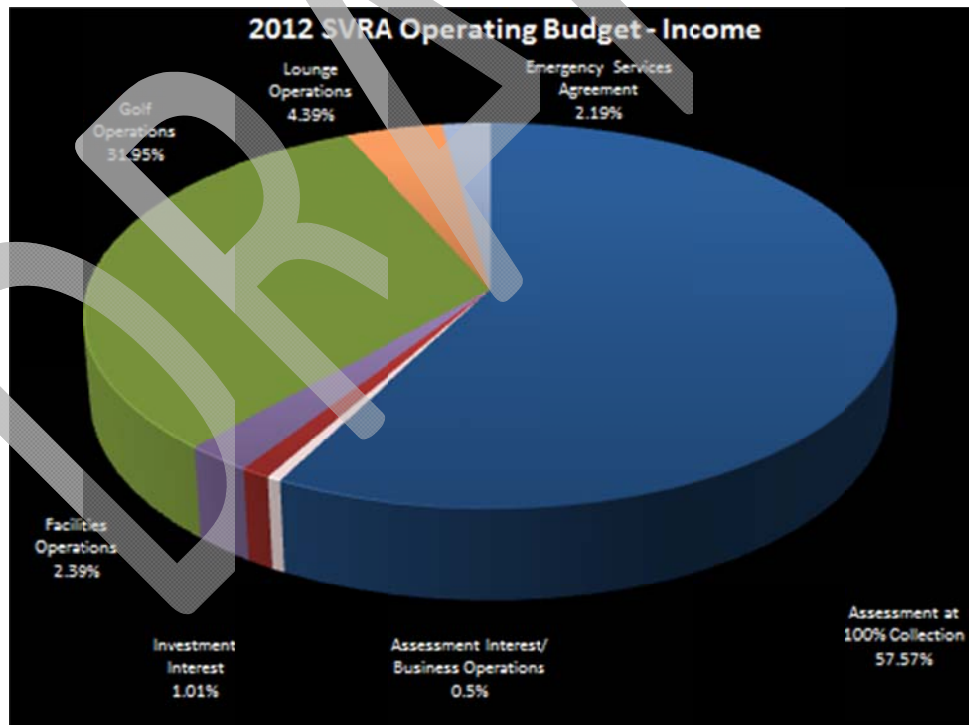
$$(\$75) \times (\text{CPI index for July, 2011} / \text{CPI index for July, 1972}) = 2012 \text{ Maximum Annual Assessment}$$

$$(\$75) \times (225.922/41.9) = \$404.40$$

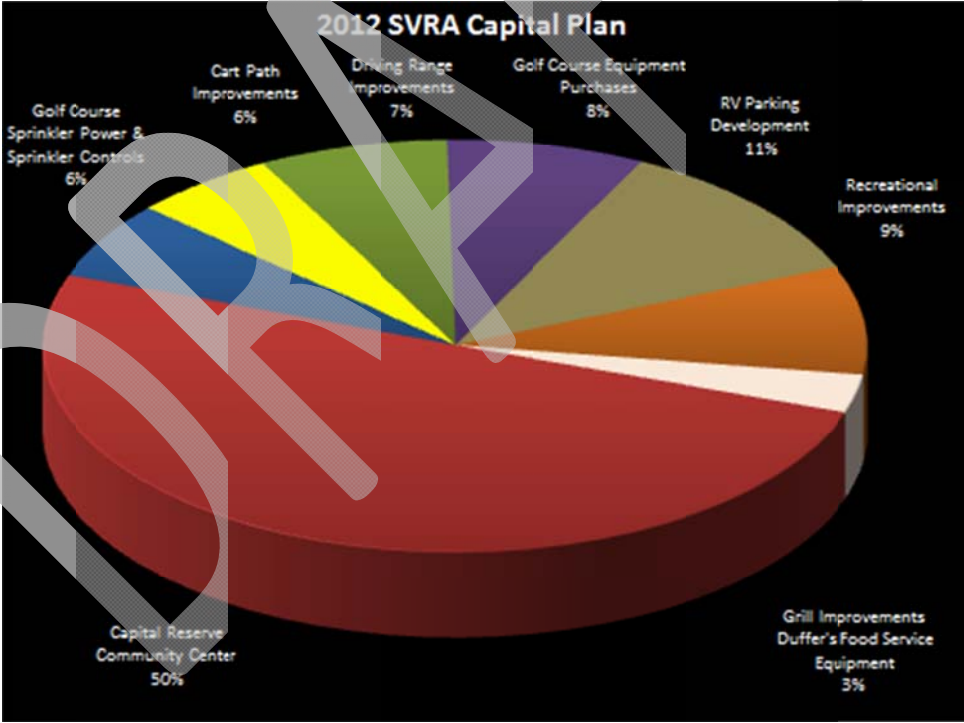
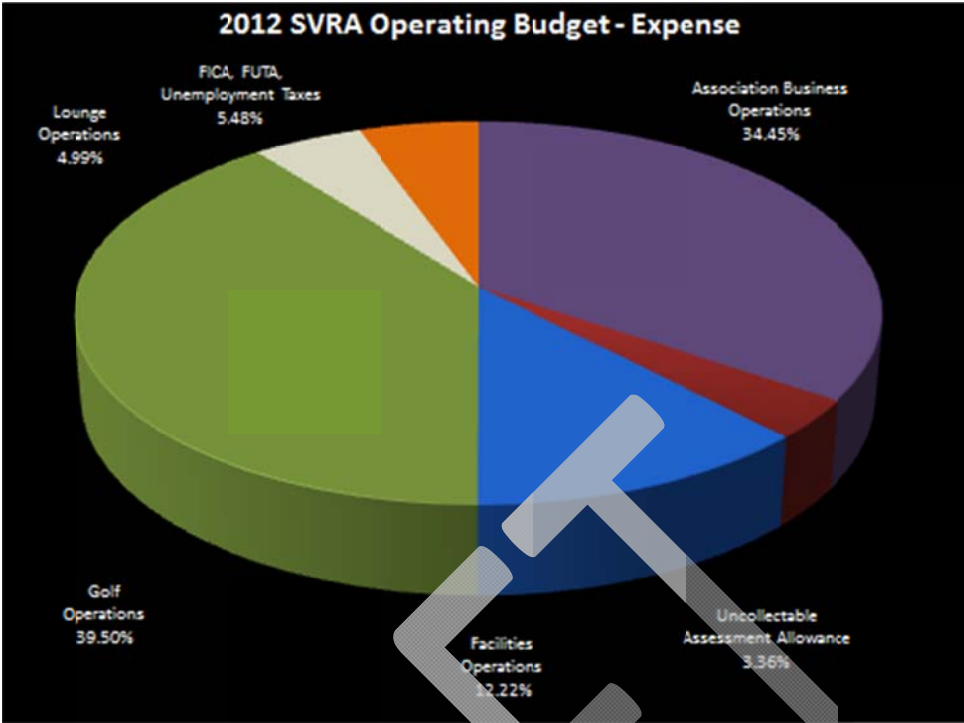
The only thing I want to look at is the assessment for 2012. This slide will be better explained later in the presentation.



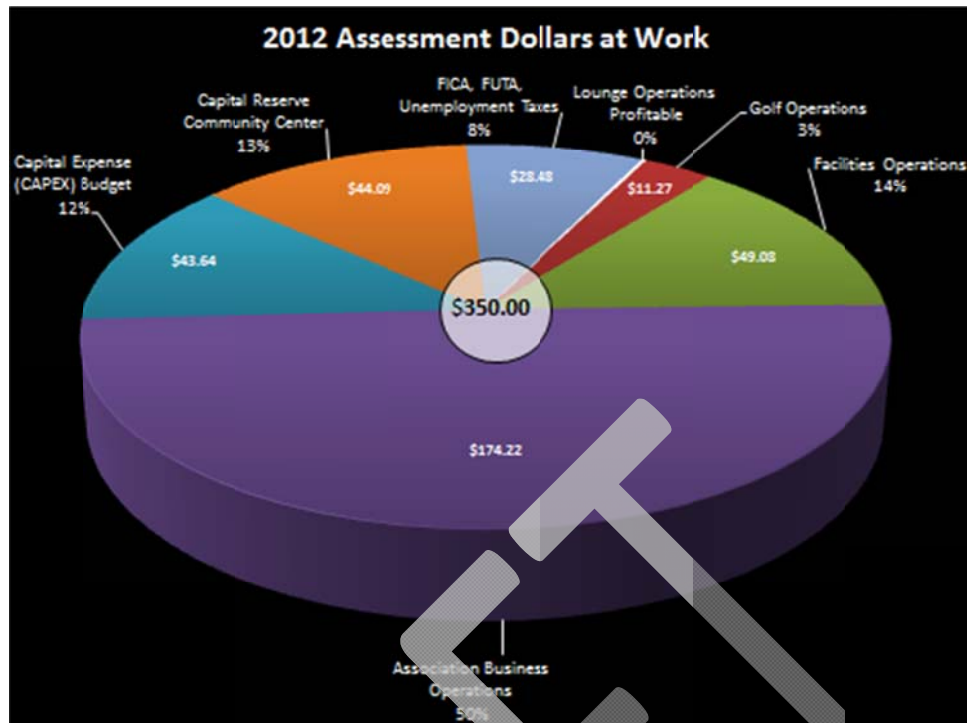
Here is the budget on our income. Where is our money coming from?



Where are we going to spend the money?



\$350.00 – Where is it being spent?



I saw some heads shaking when I said \$20,000 for RV Parking area.

Boyd Siddoway asked if the Association is going to charge for that area.

Chairman Kovach answered, "I think it is our goal to charge a nominal fee for this. We are hoping this becomes a popular place for RV parking."

General Manager, Kirk Sessions reminded those in attendance that with the potential agreement with LVI, LVI will be responsible for the costs associated with the air strip (taxes and maintenance). This ends up being about \$5,000 a year. A ROI of \$20,000 will be achieved in about 4 years.

"We will provide a more flexible situation than those of our competitors."

The question was asked if this was for members only. It was discussed that we will have to see what the participation is.

Dennis Perry asked why we would provide this if we are allowing RVs on lots now.

Chairman Kovach reminded Mr. Perry that several people have more RVs, trailers, boats, etc. that will not fit on the space designated in the RV parking policy.

Boyd Siddoway asked if we had thought about leasing out the bar.

General Manager Sessions reminded the audience that if we lease out the bar we lose control of pricing and member satisfaction will go down.

Mr. Sessions answered, "Yes, we have considered the possibility of leasing it out."

Boyd Siddoway asked if the amount in the Golf Operations budget included payroll.

Mr. Sessions answered, "Yes, except taxes, insurance and payroll taxes, which are included in Association Business."

- Director Izatt made the following motion, "I move that Star Valley Ranch Association approve the 2012 Operating Budget and Capital Plan as presented."
Secretary/Treasurer Daulton seconded the motion.
Motion passes unanimously.
- Director Izatt made the following motion, "I move that Star Valley Ranch Association set the 2012 Assessment at \$350.00 to support the 2012 Operating Budget and Capital Plan as approved."
Vice Chairman Blackman seconded the motion.

There was concern in the audience with the ability of some members to pay the \$350 assessment.

Chairman Kovach reminded the audience that the BOD understands that people are out of work, but our goal is to obtain a 12-month facility. A large portion will go toward that new facility.

Director Izatt said, "I have been doing some leg work, I am a golfer but also working class. I have been asking around to find out what the members want. It is highly desired to have a 12 month facility. The increase in assessment is one step toward that goal. I believe that the \$55 raise in assessment (from last year's assessment) is an acceptable amount for that year-round facility. Twelve months a year at the \$55 increase is only \$4 a month more. Can we set this aside for the future of our families? I vote yes. This will help the Association move forward."

Motion passes unanimously.

C. Architectural Control Report: Vice Chairman Blackman gave the following report:

Since the last meeting, the Architectural Committee has approved 5 more projects. The projects were as follows:

- 2 new homes
- 2 garages
- 1 landscaping project

To date the Architectural board has approved a total of 33 permits and declined approval of 3 permits.

In addition to permit reviews, the Architectural Committee is in the process of updating the permit process to match the new DCC&Rs. The updated major project permit application and checklist are nearly ready for approval by the Board and the Accessory Building application forms should also be ready for Board approval in January.

D. Golf and Greens Committee Report: Director Braun gave the following report:

"We got another beautiful fall golf season this year playing until November 1st. Kurt Richmond and his staff also completed all the necessary golf course winterization processes before the snow came. Our total golf rounds in 2011 were 17,570 which is just 365 rounds short of last year's rounds. Not bad considering the late snow delayed course opening for over 3 weeks and the June weather was also rainy and much cooler than normal.

Our irrigation water de-sanding house half way up Green Canyon that gave us so much trouble in early summer has been grubbed out right down to the cement floor, and the pond on number 16 has been dug out and made slightly larger. Most of us will find our golf ball retrievers are suddenly not near long enough. The plumbing for this pond will be completed early next spring. We also got a jump start on the 2012 golf cart path program with carving out the East side of the Number 1 tee box on Cedar Creek to make more room for the new Driving Range two tiered tee box that is scheduled to open July 4th, 2012.

We added 21 new EZGO golf carts to our rental fleet this year and reduced our merchandise inventory carryover from \$38,361 in April 2011 to just under \$15,000. Good job to Randy King and his staff. Just several years ago this merchandise carryover was in excess of \$58,000. Some of our preliminary golf analyses show this fall was down slightly from last year's bumper fall revenue. Local competitor courses, following our lead, also lowered their green fees, and a still staggering economy worked against us. Randy completed his annual golf report again this year and you can get a copy by calling me or the office if you'd like to read it.

While our two beautiful golf courses are asleep for the next 5 months they will still be providing joy to our members from groomed ski trails, snowmobiling and good healthy snowshoeing. Also, Old Santa is coming and please think about our Granite Tee Marker/yardage program called "Family Heritage." It is a gift that truly keeps on giving for hundreds of years. The Golf and Greens Committees are scheduled to meet again Thursday, May 10th and with a little cooperation we will be able to reopen on or about May 1st next spring. Happy Holidays to all from your Golf and Greens Committee members!!"

E. H&E Committee Report:

Nora Simmons gave a report about Toys for Tots. Toys for Tots and Angel Tree giving for children and teens that have little for Christmas are underway again this year. Unwrapped, new toys for kids up to 12 years old can be brought to the SVRA office or given to Nora Simmons by December 13, 2011. If you would like to give money, please take part in the Angel Tree project at the Bank of Star Valley. Cash donations will supplement all ages, especially teens whose wishes are usually more costly.

Secretary/Treasurer Daulton gave the following report: "The Oct. 31st Halloween Haunted Barn and Trunk or Treat was a sweet and scary success. Attendance was estimated at 300 children, many from outside the Ranch, and 100 cars, of which half brought treats to share. Thanks to the H&E Committee and all their volunteers, who helped transform the Barn, scared the visitors and/or kept everyone safe in the parking lots: Karen Seagraves & Diane Hesser, Tallia & Mike Booker, Megan Jenkins, Ryan Stembridge, Larry Hertenstein, Kathy & John Daulton, Susan & Jerry Singleton, Shirley & Greg Greenhoe, Diane & Norm Bos, Sheryl Manning, Wendy King, John & Paula Diehl, Ernie & Heather Bigelow, Kay Crittenden, Lee & Linda Hansen, Jere Kovach, Gene Root and the Thayne firefighters. Our thanks to all those who gave their time and energy and also those who came and enjoyed the night.

The 2011 H&E season has ended with the Halloween celebration. The H&E Committee has created fun while having fun. However, it's clear that for the work of H&E to be successful, partnerships with the Association office, the facilities department, members who have events in mind, and the help of volunteers is critical and even more fun. The H&E events schedule for 2012 has something for everyone if the manpower is available. We continue our family offerings like Water World during Property Owner's Weekend, JC Colley is bringing back the first dinner show in several years and 9, Dine, & Dance, an ala carte night for all, is a new offering. So get involved with H&E as a committee member or in any event that is of interest! Call the SVRA office and let us know your interest.

TBA Winter Celebration
April 7 – Easter Egg Hunt
May 25 – 9, Dine, & Dance
June 9 – Spring Junk in the Trunk
June 23 – Water World at Property Owner's Weekend
July 4 – H&E Games at Independence Day Celebration
July 15 – 9, Dine, & Dance
TBD – Star Valley Arts Council Shakespeare in the Park
August 11 – Arts and Crafts Festival
August 17 – 9, Dine, & Dance
August 24-25 – H&E sponsored Dinner Show "The Songs & Saga of Shenandoah"

September 15 – Fall Junk in the Trunk
September 15 – 9, Dine, & Dance
October TBA – Halloween

Finally, the H&E thanks Tallia Booker for her leadership role on the H&E throughout 2011. Tallia has resigned from the committee, but will continue to help us coordinate our records and events from her desk in the SVRA office.”

F. Chairman’s Report:

“This will be the last meeting of the Board of Directors for 2011. I would like to use this Chairman’s Report to review some of the major issues the board and various committees have worked on in 2011.

The dominant project for the first six months of the year was the DCCR revisions agreement. The revisions packet had been developed during 2010 and on January 3, 2011 it was put in the mail. Over the next few months the DCCR committee spent hundreds, if not thousands, of hours communicating with our membership about the need for each member to participate in this decision making process. A 70% or more agreement to revise the DCCRs was needed to meet the legal requirements to effect a change. More than 73% of the membership signed letters of agreement in favor of the changes. As of January 1, 2012 we will have a single DCCR document replacing 11 different documents that have been in effect for the past 20 years.

The next major project that consumed many hours of time was the potential Community Center. A dedicated group of individuals representing both the Town of Star Valley Ranch and our Association worked long and hard developing a grant application for more than \$2,000,000 in state grants that could be used to remodel the barn/silo complex. In the end, the state grants were unavailable unless the Town owned the property to be remodeled. We have been guided to believe that a long term lease would meet the requirements. This proved to be inaccurate guidance. At this time, SVRA is continuing to work towards a smaller, year-round building, that we can afford with no grants.

The next project involved finding resolution to disagreement between SVRA and certain lot owners over the use of SVRA owned lots. The board pursued successfully the partial vacation of six lots from the subdivision. These lots became part of the golf course and other recreation common areas. This change took approval of both the Town of Star Valley Ranch Council and the Lincoln County Commissioners. The final step in the process will be to apply to the Town of Star Valley Ranch for a change of the zoning designation. We will make this application in May or June of 2012.

Our recreational facilities were improved during the year. The pool changing rooms were updated. New tables and seating for the deck area of the pool and the pavilion area were installed. The tennis courts were resurfaced. More new cart paths and other improvements were added on the golf courses.

As we go into 2012 your Board and various committees will be continuing to work with LVI on the point of diversion water project. We are also working with LVI on a possible lease of land that could be used for storage of certain recreational vehicles and trailers.

We are not planning to meet in December. At this time I would entertain a motion to cancel the December 2011 board meeting.”

- Secretary/Treasurer Daulton made the following motion, “I move that we cancel the Board Meeting for December 2011 as has been the historical practice during the Holiday Season.” Director Izatt seconded the motion.
Motion passes unanimously.

Chairman Kovach also mentioned that there will only be one Board of Directors workshop each month January through March.

4. DCCR Compliance Initiative-Secretary/Treasurer Daulton gave the following report:

“It is the goal of the Board of Directors of SVRA to create and implement a formal, effective, equitable and sustainable system to achieve DCC&R compliance and to regularly review and measure its effectiveness in 2012 and into the future.

Progress during November:

- ✓ An Association insert in the November 1st Town water bill highlighted the Board's compliance goal, rationale, timeline and progress to date. We will continue to publish information in the SVRA Corner of the water bill as space is available, and we thank the Town.
- ✓ Talks with LVI concerning an Association RV parking area continue.
- ✓ Talks with Jackson Hole Security for a compliance officer continue.
- ✓ Second BOD/GM Compliance Tour – Oct. 25

Results: The tour included plats 1, 2, 3, 4, 5 and parts of 6. An estimated 275 homes were reviewed. As with the first tour over 90% of homes were in compliance, while 25 incidents (9%) were non-compliant. Most involved RVs parked too far from buildings and RVs parked without a pad. Major incidents included multiple RVs scattered across the lot or parked on a vacant lot and junk and refuse stored or scattered on the lot. Although this is very encouraging, it must be noted that many members have left for the winter. On the other hand, 3 lots that would have been designated with major incidents during the Labor Day door-to-door information campaign had been considerably improved.”

5. General Manager's Report: General Manager, Kirk Sessions gave the following report:

“I am going to change things a little bit this month. I am going to present the Recreational Fee Schedule for 2012. Last year we had the most outstanding fall golf season the Association has ever enjoyed. We built the 2011 budget based on the thought that those attendance levels could be reached in 2011. Needless to say, those levels did not come the way we had anticipated them coming, creating a shortfall. Two major reasons for this shortfall, we believe, would be the economic hard times in the nation and our valley, and the competition in the Victor/Driggs area drawing a lot of our Jackson crowd that would normally make the 45 minute drive down the canyon, are now making the 45 minute drive over Teton Pass. Even this fall we couldn't keep up with last fall. We look at our position in the golf industry, not only in our area but in the country. How do we fit in the trends? By region we do very well, our decline was about 1% as compared to Utah which is showing about a 10% decline. The Rocky Mountain West is showing a 3-4% decline.

There are very few opportunities to change our fee schedule, but have tried to where possible.

STAR VALLEY RANCH ASSOCIATION 2012 RECREATION FEE SCHEDULE

11/21/2011

DAILY GOLF RATES	Cedar Creek	Aspen Hills
9 Holes Walking	\$13	\$9
9 Holes With a Cart	\$18	\$14
18 Holes Walking	\$24	\$18
18 Holes With a Cart (W/ SVRA OR PRIVATE CART)	\$30	\$24
Special Seasonal Golf Rates		
<i>After 2:00 PM Daily All Summer</i> 18 Holes With a Cart (Also Spring & Fall Special Price All Day)	\$24	\$14
All Day Rates		
All Day Golf With a Cart Spring/Fall (Both courses)	\$35	\$35
All Day Golf With a Cart Summer (Both courses as space permits)	\$40	\$40
Juniors 18 years and younger* Rates		
9 Junior Holes Walking	\$7	\$7
9 Junior Holes With a Cart	\$12	\$12
18 Junior Holes Walking	\$14	\$14
18 Junior Holes With a Cart	\$20	\$20
Cart Rental (Must be licensed driver 16 years or older)		
9 Hole Cart Rental (per person)	\$6	\$6
18 Hole Cart Rental (per person)	\$12	\$12
Trail Fees - Private Carts Per Round		
9 Hole Trail Fee (per cart)	\$5	\$5
18 Hole Trail Fee (per cart)	\$10	\$10
Trail Fees - Private Carts Annual Fee for Both Courses		
Cart Trail Fee Season for Private Cart	\$250	\$250
Cart Trail Fee Season for Each Additional Private Cart	\$100	\$100
Golf, Swim & Tennis or Aspen Hills Golf Season Passes		
	Both	Aspen
Season Pass Single SVR (*\$50 Member Discount before 3/31)	\$700	\$150
Season Pass Couple SVR (**\$100 Member Discount before 3/31)	\$1300	NA
Season Pass Jr Golf (\$20 Member Discount before 3/31)	\$120	NA
Golf Punch Cards		
Golf Punch Card 20 - 9 hole rounds	\$240	NA
Golf Punch Card 10 - 18 hole rounds	\$230	NA
Golf Punch Card 10 - 18 hole rounds with a cart	\$280	NA
<small>Note: Both Courses - Under 16 years old, free with paid adult.</small>		

SWIM AND TENNIS ANNUAL PASSES	FEE
Swim Annual Pass SVR Residents	\$90
Tennis Annual Pass SVR Residents	\$90
Swim & Tennis Annual Pass for SVR Residents	\$110
Swim & Tennis Family Annual Pass for SVR Residents (pass for Family of 5 and \$50 each additional over 5)	\$220
Daily Swim and Tennis Fees	
Child (12 & under) Daily Swim or Tennis SVR Residents & Family*	\$2.50
Adult Daily Swim or Tennis SVR Residents and Family*	\$3
Child (12 & under) Daily Swim or Tennis Non SVR Residents	\$3
Adult Daily Swim or Tennis Non SVR Residents	\$4
Swim & Tennis Punch Cards	
Tennis Punch Card (20 sessions)	\$55
Swim Punch Card (20 sessions)	\$55
Swim &/or Tennis Punch Card (20 sessions either swim or tennis)	\$55
<small>* Family includes Children & Grandchildren</small>	
GROUP RATES	
GROUP SIZE	% DISCOUNT
24 - 51 (6X4 Minimum Golf)	10% OFF
52 & greater - (13X4 Golf)	15% OFF
SPECIAL NOTE:	
Both Golf Courses - Under 16 years old, free with paid adult. Season Golf, Swim & Tennis Passes - 10% discount 70 years of age and older.	
Snowmobile Fees	
Daily \$5	Annual \$25



2012 SVRA RECREATIONAL FEE SCHEDULE



- Director Braun made the following motion, "I move that Star Valley Ranch Association approve the 2012 Recreational Fee Schedule as presented." Director Izatt seconded the motion. Motion passes unanimously.

6. Old Business: None stated.

7. New Business: None stated.

8. For the Good of the Order:

Dennis Perry asked, "who did the drive around for DCCR Compliance on October 11th?"

It was answered those in attendance were: Kathy Daulton, Kirk Sessions, Jere Kovach, Carolyn Thacker, & Mike Blackman.

Mr. Perry said that he lives in a square of about 30-40 homes where about 10 people are not in compliance. He was concerned about the homes between East and West and asked if the members of the drive around saw anything out of order.

Chairman Kovach said, "Yes, according to the new DCCRs."

Mr. Perry asked if the water tanks, propane tanks, cars, junk, were going to be addressed.

Vice Chairman Blackman said that yes, they have noted these problems.

Mr. Perry asked if these violations will be addressed. If addressed he will be satisfied.

Chairman Kovach said, "It is addressed that we will work really hard toward compliance. We are firmly committed to bringing everyone into compliance."

Susan Perry asked if we have a private company doing the annual audit.

Chairman Kovach stated that yes we have an outside company perform an annual audit and also complimented Mr. Sessions, and bookkeeper Kathy Schooner for their hard work and control of the budget.

Dennis Perry wanted to make the Board aware that people are making a 40 x 13 pad on the side and back of their homes. The Board had noted this.

Boyd Siddoway asked, "Is there a way that if somebody has a variance the public can be aware of these exceptions?"

Chairman Kovach stated that we have a form in the file with the lot, so that this is documented.

Mr. Siddoway asked, "Is it possible for a member to contact the office and find out if there is a variance?"

Chairman Kovach answered by saying he believes, yes, if you call up to the office you can be told about a variance on a lot.

Mr. Perry asked if once we start enforcement and somebody does not comply, what the Association will do.

Secretary/Treasurer Daulton said, "We are in the process of the order of events that take place with non-compliance. This will consist of many steps. We will publish these steps in January."

"I think that the missing link in the process of requiring compliance is we haven't had processes in place. In the past the only way noncompliance was addressed was if a neighbor complained. We are working on a sustainable, equitable, transparent system. That system will take time to get full results. We will continue to build our procedures and policies, in the best way that we can."

Chairman Kovach said that the end piece is that we are consistent with communications. "As a Board we will probably end up in court once or twice to enforce these. Once this happens the message will be out there that we are really serious about making this happen. We are hoping the 5% that are not in compliance, through communications we can get all but 10% of that 5% in compliance. Then those that aren't paying attention and are just belligerent, then we will follow through as hard as we have to, to get those remaining people in compliance."

Mr. Perry asked if Vice Chairman Blackman agreed with that.

Vice Chairman Blackman said, "Yes, there is money set aside in the budget for just that. I want to enforce the DCCRs."

General Manager Sessions addressed Mr. Perry. "The significant difference is the case when you were building your garage, you became a victim of a reactive system. We are working on a proactive system. We will have someone looking for those issues and working on resolving those issues."

Everyone on the Board of Directors is in agreement with the compliance program.

The monthly BOD meeting minutes will be distributed in draft version to those members on the Association's e-mail list. The minutes are also always available on our website.

Mr. Siddoway asked, "Do you still have a DCCR committee?"

Secretary/Treasurer Daulton said that the committee was dissolved and now the Board of Directors and office have taken over.

Mr. Siddoway asked if during the winter months when the Board of Directors meetings are cut back, if they will have the time to address the compliance issue.

Mrs. Daulton stated that yes, the Board of Directors works very diligently electronically and that Kirk Sessions will have a major role in this new process.

Gayland Archibald suggested that if when somebody applies for a variance, that person must go to their affected neighbors, discuss it with them and get their approval before they can submit to the BOD for approval.

Chairman Kovach mentioned that he is aware of other associations that when they receive a complaint, the association gets right on it and addresses the problem. "There are many more associations more strict than ours is."

9. Adjournment:

- **Director Izatt made a motion to adjourn.
Vice Chairman Blackman seconded the motion.
Motion passed unanimously.**

Meeting adjourned at 10:24 a.m.

Chairman Jere Kovach

Vice Chairman Mike Blackman

Secretary/Treasurer Kathy Daulton

Director Gary Braun

Director George Toolson

Director Alycyn Culbertson

Director Derk Izatt