

**RANCH CONDOMINIUM ASSOCIATION
ANNUAL MEMBERSHIP MEETING
SEPTEMBER 3, 2023**

MINUTES

PRESENT: Karen Curry – President
Margaret Work - Director
Laurie Reynoldson - Director
Rod Merrigan - Director
Kathy Large - Director
John Hendricks - Director

OWNERS PRESENT:
See Attached Listing

OTHERS:
Sharon & Chuck Williamson - Managers

CALL TO ORDER

Karen Curry called the meeting to order at 9:05 a.m.

ESTABLISH A QUORUM

A quorum was established with 55% of the membership represented in person or by proxy.

READ AND APPROVE 9/5/22 MEETING MINUTES

The minutes were sent to all owners prior to the meeting. With no corrections or additions, ***MOTION: Laurie Reynoldson moved to approve the September 5, 2022, annual meeting minutes as presented, Margaret Work seconded, and motion was unanimously approved.***

SVEA REPORT

Chuck Williamson, SVEA General Manager, reported on the following:

Jericho Project – Village Core – Chuck explained that the 19-unit rental project must receive approval from Sun Valley City Council, Elkhorn Springs Master Association and SVEA. Elkhorn Springs recently informed Mr. Jadallah that they would have to have a vote of their membership before allowing him an easement off the roundabout at the south end of his proposed project. For the time being this requirement will essentially stop all progress on the Jericho project as proposed. He reported that SVEA is not considering any land swap alternatives which would require a vote of the SVEA membership. Before SVEA will review the project, it must first be approved by the Elkhorn Springs Master Association. Owners will be kept informed in newsletters and Eblasts as this matter progresses.

Community School Rezone Application – Chuck reported that the Community School has been working on a rezone application for the Sagewillow Campus and Arrowleaf Subdivision over the past several months. They have engaged and received input from property owners in the immediate area of the proposed rezone impact area. The School has developed a design for 10 townhomes on 2 of 5 lots making up the Arrowleaf subdivision parcel for staff housing. The remaining Arrowleaf property would be rezoned open space. The Community School fallback position would be to build single family homes with accessory dwellings on each Arrowleaf lot to achieve their 10-unit goal on buildout. The full housing buildout on the Sagewillow Campus and Arrowleaf Subdivision would be 40 units with 30 units in an apartment style building or two adjacent to the barn area on the property. The Community School representatives have indicated they will be attempting to resubmit the rezone application in November. SVEA is currently working with the Community School who contends that Arrowleaf has not been annexed into Elkhorn and subject to the Master Declarations.

Harker Pool – The Harker Pool is currently under construction. Over 1200 owners paid the \$1,000 assessment in advance so a construction loan is not required for this project. The project is proceeding

as planned with a completion date anticipated for July 4th, 2024. The only concern at this time is securing the necessary concrete for the pool and hot tub shell. The shells are scheduled to be completed prior to the winter season. Over the winter months the equipment room will be reconstructed and in the spring the pool plaster, decking, artificial turf, shade structures and fencing will be installed completing the construction.

PRESIDENT'S COMMENTS

Purpose of the Meeting – Karen stated the purpose of the meeting was to update the membership on the Association projects and finances and to conduct the Board election.

Introduction of Board Members – Karen explained that she and Tom Wilford have term limited out and will be replaced on the Board during the upcoming elections. Karen had the Board members present introduce themselves and she introduced the Board nominees Mike Frelleson, Bob Dueter and incumbent Laurie Reynoldson. She thanked all Board members for their service over the past year.

TREASURER'S REPORT

Tom Wilford was unavailable for the Annual meeting. Chuck presented the Association financial report.

Balance Sheet Report – The cash and investment account balances were reported as follows:

Capital Reserve Account – Zions Bank:	\$ 81,940.97
Operational Checking – US Bank:	\$137,306.85
Operational Savings – US Bank:	\$ 5,920.39
Treasury Bill – Matures 9/8/22:	\$466,163.60
Total Cash and Investments:	\$691,351.81
Accounts Receivable:	<u>\$ 24,854.33</u>
Total Cash/Receivable:	\$716,206.14

Profit/Loss and Budget Report – Chuck explained that the Board approved the 2023/24 Operational budget without a dues increase until they had an opportunity to discuss the elimination of the Cable TV expense with the owners during the meeting. A special assessment of \$75,000 occurred in 2022/23 to cover the \$76,701.80 snow removal budget shortfall and the cost of interior unit repairs from ice dam incidents. The snow removal is based on a 10-year average with inflation adjustment, and excessive snow years are line item special assessed to cover significant shortfall years. The last time the owners were assessed for the snow removal shortfall was 2017. Chuck reported that at the time the budget was approved, if the \$19,200 Cable TV expense was eliminated from the approved budget the yearend results were projected to have a \$4,000 surplus as opposed to a \$15,000 deficit. However, since the time of the budget approval meeting, two surprise expense increases occurred. Insurance increased by 200+% and Sewer increased by 50%. The budget projected a \$33,200 annual Insurance expense. The actual cost upon renewal increased to \$108,529. The increase in insurance rates is a result of an industry wide crisis resulting from catastrophic losses, Sun Valley classified as a forested area and high limit loss exposures. Chuck stated that the Ranch insurance agent solicited 26 insurance companies and only 1, Cincinnati Insurance, accepted the Ranch with a \$25,000 deductible. Chuck asked those present to let him know if they have friends or connections to the insurance industry that might be willing to assist in securing lower cost coverage. Chuck reported that they were recently informed that the Sewer expense will have a 50% increase, totaling approximately \$13,400 annually, beginning December 1, 2023. Irrigation water will be based on water consumption on a new tiered based system costing more per gallon as consumption increases. He stated that the Board will need to review and consider an operational dues increase as a result of these recent developments.

Capital Reserves – Chuck reviewed the Capital Budget. He explained that \$42,564.57 shown in Exterior Painting included \$12,500 for handrail sealing and approximately \$30,000 for exterior building paint touch up. The buildings required a significant amount of repair work prior to the touchup painting which is indicated in the operational budget maintenance category, which is over budget as a result of that work. The painting touchup was expected to occur in the new fiscal year; however, the work was advanced when an opening in the contractor's schedule occurred unexpectedly. The \$30,000 budgeted in 2023/24 will be removed. Chuck explained that the Board authorized an architect to review the current cold roof design and suggest modification to eliminate the ice dam issues. He stated that \$50,000 has been budgeted for the architect and a test roof modification in preparation for project wide roof replacement scheduled to begin in 2028.

OLD BUSINESS

Entry Deck Repairs & Handrails – Management reported that redesign plans for the entry decks have been received and bids are being requested from contractors. This item is not in the capital budget and will have to be special assessed when the renovation project is approved.

Cable TV – Discussion – 12/31/2022 Renewal Date – During the financial review owners present expressed a desire that the Cable TV be eliminated as a budgeted line-item expense. Management was asked to prepare a “cheat sheet” that owners could refer to when considering other TV options.

Electric Vehicle Charging Station – Chuck reported that the Association has installed a charging station at the Clubhouse; however, there have been issues with the billing for use process that still need to be resolved. At this time the charging station is not billing the owners and is free to use. Management will get the billing process functioning properly as soon as possible. The delay is due to the lack of timely response from the software company and inability to immediately test any changes made to the system.

Tree Removal – Management marked all the trees throughout the Association that are slated for removal in the first phase of the tree removal project. These trees were reviewed for disease and proximity to buildings. Chuck reported that he and Sharon marked the trees and while doing so began to understand why these trees were scheduled for removal. He reported that up to half the trees marked showed significant signs of disease and are susceptible to falling over due to structural weakness. It was previously estimated that the tree removal cost would be approximately \$35,000. A landscape plan has been developed for the corner of Morningstar and Elkhorn Road and Morningstar and Independence Creek Road. The estimate for the full renovation of these areas is \$75,000. The Board will be reviewing the options at their next meeting.

NEW BUSINESS

Exterior Finishes Committee – Chuck reported that the Board will be considering the implementation of an Exterior Finishes Committee that would review color scheme and finishes for when the exterior painting, roof replacement, entry decks and handrail addition projects are considered. Prior to enacting the committee, the Board is requesting that the scope of the committee be defined in advance. Chuck stated the purpose of mentioning the formation of this committee during this meeting is to keep the owners informed. More information will be made available when ready.

Owner Requests:

Art Berry – Unit 3698 – Art requested that the Ranch consider the installation of a fire break in the open space sagebrush to protect the Ranch and others in the event of a fire. Chuck explained that this was done about 15 years ago in partnership with the Fire Department when grant funding was made available for this purpose. He suggested that this might be an SVEA matter rather than the Ranch independently. Kathy Large asked that management request a review by SVEA for a fire break installed around Elkhorn.

Jane Saltonstall – Unit 3656 – Jane requested that the Association review and consider the installation of secure bike racks throughout the Association that could accommodate e-bikes.

ELECTION OF DIRECTORS

Nominations – Management reported that the 2022/23 Board nominees were **Mike Frelleson 3616, Bob Deuter 3696, and Laurie Reynoldson 3540**. It was moved and seconded to nominate the Board proposed slate of Directors. Chuck asked if there were any other nominations from the floor, hearing none, **MOTION: Jane Saltonstall moved to close nominations, Rod Merrigan seconded, and motion was unanimously approved**. The slate as proposed was elected by unanimous consent.

ADJOURNMENT

There being no further business, Karen adjourned the meeting at 10:30 a.m.

Respectfully Submitted,

Chuck Williamson
Recording Secretary