

SPRING CREEK HOMEOWNER'S ASSOCIATION

P.O. BOX 4780, Jackson, WY 88001

(307) 733-8833

December 2, 2019

Dear Homeowners

You will be receiving your annual billing statement for your 2020 SCHOA Annual Dues shortly. We, the SCHOA Board wanted to take this opportunity to provide some insight into plans for 2020 and beyond.

Before reviewing the details of the 2020 SCHOA Budget, we wanted to remind homeowners about the components of the assessments. These components and a brief description of each are as follows:

- **Project Common Operating** – operating assessments and expenses shared by all commercial and residential homeowners.
- **Project Common Reserve** – reserve assessments and expenses shared by all commercial and residential homeowners.
- **Site Operating** – operating assessments and expenses shared by site-specific homeowners.
- **Site Reserve** – reserve assessments and expenses shared by site-specific homeowners.
- **Water & Sewer** – assessments for water & sewer costs based on consumption

More specifically, these components for each subdivision or site are as follows:

- **Project Common** – main road snow removal, administration, accounting, security, transportation and telephone allocation, insurance, open space property taxes, environmental costs and misc. operating costs.
- **Harvest Dance Site** – minor exterior maintenance, landscaping, snow removal for parking and main pathways only (not entry paths), insurance, trash removal, cable and water and sewer operating costs.
- **Spirit Dance Site** – minor exterior maintenance, landscaping, snow removal for parking and main pathways only (not entry paths), insurance, trash removal, cable and water and sewer operating costs.
- **Sun Dance** – cable, water and sewer operating costs.
- **Elk Dance Site** – cable, water and sewer operating costs.
- **Homes at Amangani** – cable, water and sewer operating costs.
- **Spring Creek Ridge** – cable, water and sewer operating costs.
- **Homes at Amangani 2nd filing** – cable, water and sewer operating costs.
- **Ranches at Spring Creek (Eq Ctr Residential)** – none.
- **Spring Creek Ranch Commercial** (Granary, Spring Creek Ranch, Spring Creek Inn, Spring Creek Stables) – parking area allocation, and water and sewer operating costs.
- **Amangani Commercial** – parking area allocation and water and sewer operating costs.
- **Ranches at Spring Creek Commercial** – water and sewer operating costs.
- **Amangani Manager's House Commercial** – water and sewer operating costs.

For 2020, the material operating issues for the SCHOA are wage inflation, reserve funding (primarily for the Harvest Dance and Spirit Dance townhomes), insurance costs, and cable services.

As we are all aware, Jackson Hole has high cost of living and a very competitive labor market. The result is significant wage inflation in recent years with no relief in sight. All local employers are consistently realizing 10%+/- increases in labor costs annually, and still having labor shortages. With much of the HOA operations being labor intensive, the HOA is impacted accordingly.

In 2019, the HOA completed a new reserve study for both townhouse subdivisions, and also received bids to replace all the aging exterior elements of Harvest Dance townhomes. This information was used to prepare a 10+ year forecast of reserve projects and related expenses for the Harvest Dance units. The Board has not yet completed a similar forecast for Spirit Dance units, but the new the Spirit Dance reserve study makes clear that significant expenditures need to be made in the coming years. The reserve contributions for Harvest Dance townhomes reflect the 2019 forecast, which added about \$250/month to the Site Reserve assessment. For Spirit Dance, reserve contributions were increased by \$97/month for Gruens and \$162/month for Choates.

For years, the HOA enjoyed extremely low insurance premiums. When the program ended in 2016, after an extensive search concerning and review of our insurance options, insurance costs nevertheless effectively doubled in 2017 with the impact not truly felt until 2018. In addition to the large premium increase, the new insurer, Travelers, made very expensive requests to continue coverage with the 2019 renewal. These demands were to replace townhouse railings and install central office fire and carbon monoxide alarm systems. For 2020, another large increase in premiums has occurred. This increase impacts only the Spirit Dance and Harvest Dance subdivisions, and is the result of increased replacement costs. For Harvest Dance units, the impact of insurance, net of the added community cable service outlined below, is about \$70/month or about 80% of the Site Operating Assessments. For Spirit Dance, these figures are about \$150/month or 90% of the Site Operating Assessments.

As outlined during the October Annual Meeting, the local cable provider, Spectrum, is promoting a community service for cable and internet. With a community contract, Spectrum will provide more bandwidth and an attractive cable package for about \$50/month. With virtually all homeowners being Spectrum subscribers at a much higher price, moving from over 120 individual subscriptions to a single HOA subscription seemed to be a simple decision. Included in this budget is this \$50/month fee. Once converted, the individual \$100+/- per month individual subscriptions will cease. So, while this added assessment will increase overall SCHOA dues, Homeowners will save \$25-\$50/month depending on the base service that they have.

The impact on assessments is as follows:

	<u>Monthly Dues</u>	<u>% Change</u>
Spirit Dance		
- Gruens	\$317	20%
- Choates	\$431	24%
Sun Dance	\$77	13%
Harvest Dance	\$418	33%
Elk Dance	\$85	14%
Homes at Amangani	\$80	13%
Spring Creek Ridge	\$79	12%
Aman#2	\$23	4%
Ranches at Spring Creek	\$53	10%
Spring Creek Ranch	(\$178)	-10%
Inn	(\$72)	-5%
Granary	\$511	35%
Amangani	(\$807)	-10%
Equestrian Center	\$1	0%
Manager's House	(\$38)	-14%



The above schedule represents average changes to monthly assessments. We have also attached an analysis of sample HOA assessments for specific properties of each type to show how the various components have changed over the years, and how they impact the total assessments.

If you have comments, questions or concerns, please share those with the Board. The Board needs to know the thoughts and feelings of all. Constructive input is always welcome.

Sincerely,

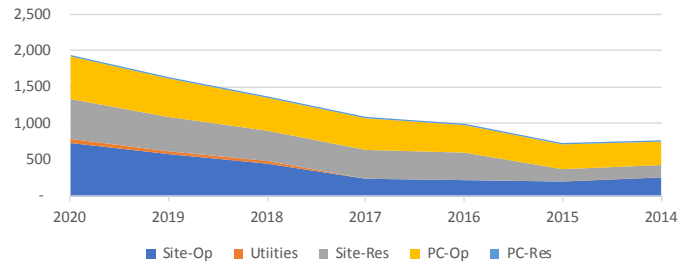
Spring Creek HOA Board

- George Kallop
- Marc Segal
- Paul Pescatello
- Stephen Price
- Stuart Lang

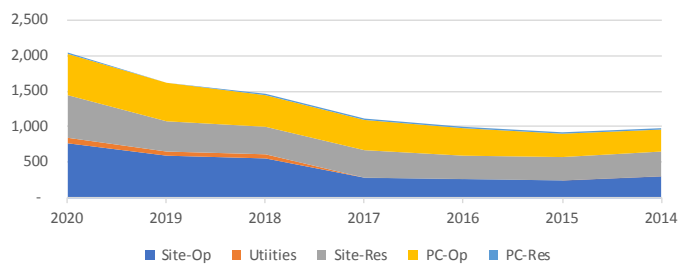
Spring Creek HOA																		
Sample HOA Dues																		
	HOA Dues Components						Increase Year over Year						% Increase Year over Year					
Year	Site-Op	Utilities	Site-Res	PC-Op	PC-Res	Total	Site-Op	Utilities	Site-Res	PC-Op	PC-Res	Total	Site-Op	Utilities	Site-Res	PC-Op	PC-Res	Total
Gruen Townhomes																		
2020	732	47	566	570	27	1,942	162	(1)	97	41	12	311	28%	-2%	21%	8%	82%	19%
2019	570	48	469	529	15	1,631	118	9	61	68	(2)	253	26%	24%	15%	15%	-12%	18%
2018	452	39	408	462	17	1,378	215	39	2	40	(4)	291	90%	-	0%	9%	-18%	27%
2017	237	-	407	422	21	1,087	21	-	24	40	3	87	10%	-	6%	10%	14%	9%
2016	217	-	383	382	18	1,000	20	-	210	45	3	278	10%	-	121%	13%	21%	39%
2015	196	-	173	337	15	722	(60)	-	1	14	0	(45)	-24%	-	1%	4%	3%	-6%
2014	257	-	172	323	15	766												
Choate Townhomes																		
2020	765	84	598	570	27	2,044	169	36	162	41	12	420	28%	75%	37%	8%	82%	26%
2019	596	48	436	529	15	1,624	50	(9)	50	68	(2)	156	9%	-16%	13%	15%	-12%	11%
2018	545	57	386	462	17	1,468	259	57	3	40	(4)	356	90%	-	1%	9%	-18%	32%
2017	286	-	383	422	21	1,112	25	-	46	40	3	114	10%	-	14%	10%	14%	11%
2016	261	-	337	382	18	999	24	-	3	45	3	75	10%	-	1%	13%	21%	8%
2015	237	-	334	337	15	923	(73)	-	3	14	0	(56)	-24%	-	1%	4%	3%	-6%
2014	310	-	331	323	15	979												
Harvest Dance Townhomes																		
2020	492	77	478	570	27	1,644	82	34	237	41	12	406	20%	79%	98%	8%	82%	33%
2019	409	43	241	529	15	1,238	51	4	44	68	(2)	165	14%	10%	23%	15%	-12%	15%
2018	358	39	197	462	17	1,073	108	39	33	40	(4)	217	43%	0%	20%	9%	-18%	25%
2017	250	-	163	422	21	856	26	-	12	40	3	81	12%	0%	8%	10%	14%	10%
2016	224	-	152	382	18	775	15	-	1	45	3	64	7%	0%	1%	13%	21%	9%
2015	209	-	150	337	15	712	(42)	-	23	14	0	(5)	-17%	0%	18%	4%	3%	-1%
2014	251	-	128	323	15	717												
Elk Dance/Aman Homes																		
2020	(13)	119	-	570	27	704	0	45	-	41	12	99	-3%	61% 	-	8%	82%	16%
2019	(13)	74	-	529	15	605	(13)	(10)	-	68	(2)	42	245232%	-12% 	-	15%	-12%	8%
2018	(0)	84	-	462	17	563	(63)	84	-	40	(4)	57	-100%	-	-	9%	-18%	11%
2017	63	-	-	422	21	505	0	-	-	40	3	43	0%	-	-	10%	14%	9%
2016	63	-	-	382	18	463	(14)	-	-	45	3	33	-19%	-	-	13%	21%	8%
2015	77	-	-	337	15	429	(16)	-	-	14	0	(2)	-17%	-	-	4%	3%	0%
2014	93	-	-	323	15	431												
Vacant Lot																		
2020	-	-	-	570	27	598	-	-	-	41	12	53	-	-	-	8%	82%	10%
2019	-	-	-	529	15	544	-	-	-	68	(2)	65	-	-	-	15%	-12%	14%
2018	-	-	-	462	17	479	-	-	-	40	(4)	36	-	-	-	9%	-18%	8%
2017	-	-	-	422	21	443	-	-	-	40	3	42	-	-	-	10%	14%	11%
2016	-	-	-	382	18	400	-	-	-	45	3	48	-	-	-	13%	21%	14%
2015	-	-	-	337	15	352	-	-	-	14	0	14	-	-	-	4%	3%	4%
2014	-	-	-	323	15	338												
- in 2015, allocation of water and sewer costs became based on consumption by Site. This lowered water&sewer costs for SD & HD Sites																		
- in 2016, \$2,500 per year per Gruen was added to SD Site Reserve assessment to reimburse the SD Reserve Fund for funds expended for fireplace rebuild																		
- prior to 2018, individual water & sewer was part of Site Operating costs. In 2018, allocation of water and sewer costs became based on actual usage of each ho																		
- in 2018, 80% of the HD & SD Site Operating cost increase was insurance cost related (premiums & central office alarms systems)																		
- in 2019, the Board started increasing provision for inflation, and especially, for repairs and maintenance																		
- for 2020, 90% o of the HD & SD Site Operating cost increase was insurance cost related																		
- in 2020, a provision for community Spectrum cable & internet service is added in the Utilities column																		

Spring Creek Homeowners Association
Monthly HOA Dues - Comparative Charts

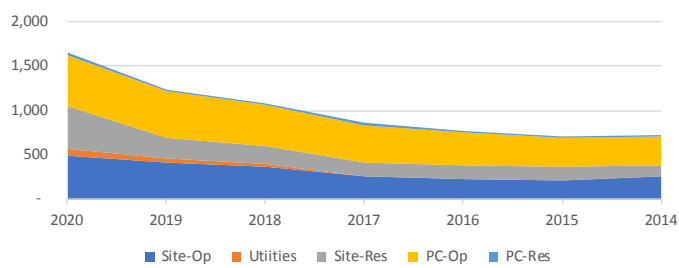
Gruen Townhouses



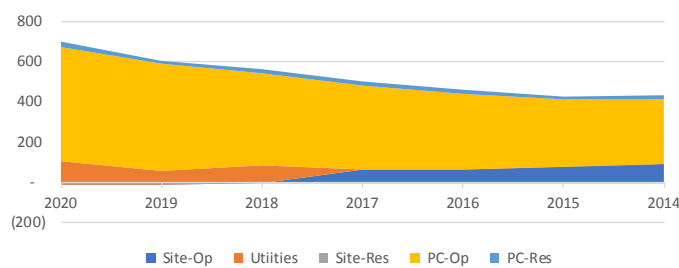
Choate Townhouses



Harvest Dance Townhomes



Elk Dance/Aman Homes



Vacant Lots

