

SPRING CREEK HOMEOWNER ASSOCIATION BOARD
4th Quarter Board Meeting Agenda
October 4, 2016

Attendees:

Directors present: Bob Pisano, Dave Conine, Ron Harris, Steve Price, Stuart Lang
Other Officers present: Derek Goodson, Virginia Nowicki
Others: Jackson Brandenburg, Tom Taylor, Donna Falk, Florence Lemle, Kent Van Riper, Karen Van Riper, George Kallop, Peter Warshaw, Eunice Conine

1. Opening – Call to Order, Determination of Quorum, and Agenda Review

The meeting was called to order at 8:00 am MDT. The presence of a quorum was established. There was agreement to proceed with the agenda as previously distributed. It was noted for the record that the location and time for the meeting were changed by mutual consent of the members of the Board. It was also noted for the record that the members of the Architectural Committee were specially invited to participate in a joint discussion of the agenda item pertaining to tree trimming and regulations.

2. Review and Approval of Minutes

- A. **June 21, 2016 – 3rd Quarter Board Meeting** – Motion to approve the minutes. M/S/U
- B. **July 9, 2016 – Special Board Meeting** – Motion to approve the minutes. M/S/U

3. Committee and Operating Reports

A. Finance Committee

- 1. Committee membership and report

Dave Conine gave a brief oral report. He recommended that Finance Committee member Bob Wood, who is a professional financial advisor, be added to the SCHOA's Merrill Lynch account as a named representative of the Association for purposes of authorizing transactions.

Motion to add Bob Wood to the SCHOA's Merrill Lynch account as a named representative of the Association for purposes of authorizing transactions. M/S/U

2. Treasurer's Report

Derek Goodson presented the Treasurer's Report as of the end of August 2016, which he had previously distributed to the members of the Board (report dated October 4th). He commented that year-to-date operating costs through the end of August are running very close to budget projections overall, not counting (i.e., ignoring) the \$3,000 per month contingency margin and recognizing timing issues for certain expenditures. Derek noted that there is presently one homeowner who has dues which are significantly delinquent (over 90 days). Derek reported that the overall reserve fund balance is approximately \$2.7 million (after reserve expenditures, addressed in the section below).

Discussion ensued, and Derek fielded a number of questions from the members of the Board.

3. Approval of reserve expenditures

Derek Goodson requested that twenty-one (21) reserve expenditure items, each documented in the October 4th Treasurer's Report, be approved. They total \$90,663.

Motion to approve the 21 reserve expenditure items enumerated in the October 4th Treasurer's Report and totaling \$90,663. M/S/U

4. Accounting Review of 12/31/2015 financial statements

Derek Goodson presented a final draft of the Independent Accountants' Review of the Association's yearend 2015 SCHOA financial statements, which was prepared by Thompson Palmer. This had been previously distributed to the Directors. Dave Conine reported that the Finance Committee has reviewed the draft Review and recommends that it be accepted by the Board.

Motion to accept the draft Independent Accountants' Review of the Association's 2015 yearend financial statements, prepared by Thompson Palmer, subject to reconsideration if the final version of

the Review report varies materially from the draft that was distributed. M/S/U

5. Delinquent homeowners (executive session)

The Board went into executive session to discuss the matter where a homeowner's dues are significantly delinquent. Coming out of executive session, the Board took the following action:

Motion to refer the delinquency to Frank Hess, authorizing him to file a lien and take whatever further action to pursue collection is appropriate at this time. M/S/U

B. Architectural Committee – Tom Taylor reported that there are no new building projects being reviewed or commencing.

C. SCISD

Steve Price reported on the activities of the District. Key points that he presented included:

- The District held its Annual Meeting and Budget Hearing on July 20th. The ISD budget and assessment schedule for FY 2017 (July 2017 - June 2017) were approved.
- The Directors of the District approved the Memorandum of Understanding with the Association, the Airport, and the Town of Jackson and approved the Wastewater Collection and Transportation Agreement with the Airport, both documents pertaining to the sewer line.
- Contingency planning for drilling a new well #3 is progressing.
- The 3rd phase of the sewer line cleaning and inspection is currently underway.
- Derek Goodson reported that he does not plan to run for reelection to his position as a Director of the District. Steve thanked Derek for his many years of service on the District Board, and indicated that he hopes Derek will continue to provide financial support for the operations and activities of the District.

Derek Goodson highlighted the SCISD Treasurer's Report dated October 3, 2016. He noted that the financial condition of the District is reasonably strong. It held nearly \$360,000 in cash funds as of the end of August. Projected assessments for FY 2017 are approximately \$380,000. Debt service payments remaining to be paid in FY 2017 are approximately \$95,000.

- D. Managers' Reports** – Steve Price made a brief oral report on activities as the SCHOA Manager, and both Steve Price and Stuart Lang made brief oral reports related to their respective commercial entities.

4. Old and New Business

A. Infrastructure, Property, and Other Project Issues

1. Project management status

a. Power posts for block heaters in townhome subdivisions

It was brought to the attention of the Board that there are old and largely inoperative power posts for block heaters in some of the townhome subdivision parking lots. Steve Price indicated that they could be replaced, but new power source lines in conduit would have to be laid. The sense of the Board was that these power posts are not needed any longer. Accordingly, Steve Price was directed to arrange to have them removed.

b. Exterior doors in townhome subdivisions

It was also brought to the attention of the Board that many of the townhomes do not have screen and storm doors on certain exterior sides of the units which are exposed significantly to damage from the elements. The Board directed Jackson Brandenburg to assess the needs throughout the townhome subdivisions and potential cost of making warranted improvements, and report back with his findings. Derek Goodson was directed to add a provision for such work to the proposed budget for 2017.

c. Common area landscape management

An enhancement to the appearance of SCR that has been proposed is to establish a specific plan for managing and maintaining common area landscaping, including shrubs and flowers. It was the sense of the Board that this should not simply be an added work item for SCRM's maintenance staff to be performed as time permits, but rather should be a dedicated and staffed effort by a trained professional or landscaping firm. Karen Van Riper agreed to spearhead the

planning work for this initiative. Derek was directed to add a provision for such work to the proposed budget for 2017.

d. Status of other 2016 projects and projects planned for 2017

Jackson Brandenburg provided an oral report on other open and ongoing projects for this year. One upcoming project is the 2nd phase of fire strip cutting. Jackson indicated that the work should be completed yet this fall. Jackson reminded the Directors that the consent of the individual homeowners for Elk Dance Estates Lots 1-4 will be required in order to proceed next year with a continuation of the fire strip in the 3rd phase of cutting.

Discussion of projects planned for 2017 was deferred.

e. Project management and oversight

Ron Harris reminded the Directors that standing conference calls have been held each Friday morning to review the execution of open, ongoing, and planned projects being undertaken by the Association and District. Participants have been Jackson Brandenburg (and Noah Messinger), Steve Price, the SCRM head of maintenance, and Ron Harris (on behalf of the Board). The participants in the calls believe that it has been a very constructive process. Ron noted that he will no longer be on the Board after the Annual Meeting since he is not running for reelection. He recommended that the process continue, and that a member of the Board volunteer or be appointed to take his place.

2. Tree trimming and regulations

Bob Pisano asked the Members of the Architectural Committee to participate in the discussion of this agenda item. The issue revolves around making sure that homeowner views of the major peaks in the Teton Range are not blocked or significantly impeded by trees or tall shrubs planted by homeowners on single family lots. Specific issues include height restrictions on such trees, addressing homeowner view impacts that may arise, and dealing with situations where resolution or compliance with regulations is not forthcoming. Considerable discussion ensued. The Board asked Jackson Brandenburg to compile a draft of a new regulation and

related materials, based on existing materials and comments expressed by the participants.

3. Signage

Steve Price reported that he has just received a proposal from the vendor with whom he is working on a signage plan overall. He indicated that he will pass this along, with his thoughts on it, at the next regularly scheduled Board meeting.

4. Website upgrade – Steve Price reported that the Association’s web design company is proceeding with the SCHOA website. He expects to report on it at the upcoming Annual Meeting on the 8th.

5. Sewer system

Bob Pisano reminded the Directors that the Board passed a resolution at its special meeting on July 9th, authorizing him to represent the Association in formulating proposed final terms and conditions for an agreement among the various parties involved to enable the Jackson Hole Airport to connect to the Spring Creek sewer line along Spring Gulch Road. A key provision is to turn over certain portions of that line and its associated infrastructure to the Town or Jackson or some other entity for future ownership, repair, and maintenance. Bob reported that a Memorandum of Understanding (MOU) has been negotiated and finalized. He indicated that the terms and conditions are consistent with the general understanding and direction discussed at the July 9th Association Board meeting.

Motion to ratify the finalized MOU with the Spring Creek Improvement and Service District, the Airport, and the Town of Jackson, as described above. M/S/U

6. Service, comfort, and other dogs at SCR

Bob Pisano reported that Frank Hess is continuing to address the matter, with consideration to ADA and Fair Housing Act requirements and the significant prohibitions that they impose in connection with limitations on the various categories of service and comfort dogs.

7. Access and utility easement for service road – Bob Pisano indicated that there was no new information to report.
8. Pathways – Steve Price reported that provision was being made in the 2017 budget for new pathways and that he intended to get a specific proposal(s).
9. Employee housing and Lot 4 planning update

Steve Price reported that buildout of the employee housing area in the upper level of the maintenance building has been completed and that it is being occupied. Further consideration is being given to possibilities for additional housing in the future. He confirmed that SCRM intends to remove the temporary mobile home used for housing before the end of fall 2016.
10. Vision Committee report and general facilities updating/upgrading

Donna Falk provided an overview of the recent report to the Board from the Vision Committee. Discussion ensued, and Donna fielded a variety of questions.

B. Governance and Related Issues – Updating of SCR rules/regulations deferred.

C. Budget for 2017

Derek Goodson provided a brief overview of key budget assumptions, related to the draft proposed budget that he had previously distributed to the Directors. Discussion ensued, including questions or suggestions regarding the inclusion of certain projects in the budget and the adequacy of reserve contribution levels in assessment levels going forward.

D. Annual Meeting Planning – Steve Price reported that plans were in place, and he discussed some of the logistical issues.

E. Other Business

Derek Goodson reminded the Directors that a number of financial institutions continue to view the SCR townhomes as resort condominiums, and therefore decline to provide financing to purchasers. One possible way of addressing this matter, which was discussed at the previous Board meeting, would be to amend certain covenants. As a near-term step, Frank Hess had agreed to prepare an affidavit that might be used by a potential townhome purchaser in dealing with his/her lending institution. Derek reported that this work was continuing.

V. Conclusion – Next Scheduled Meeting and Adjournment

The next regularly scheduled meeting is the New Board Meeting to be held on October 8, 2016, following the close of the Annual Meeting.

Upon completion of the business at hand, the meeting was adjourned.