

## SCHOA ANNUAL MEETING

Saturday, October 5, 2019 – 9:00 AM

### Minutes - DRAFT

#### I. Call to Order, Establishment of Quorum, Welcome, and Introductions

- a. Meeting was called to order by Bob Pisano
- b. Quorum was established
- c. Introductions. All homeowners present introduced themselves

#### II. Approval of Minutes for October 6, 2018 Annual Meeting

- a. Minutes were previously distributed, and without objection were approved.

#### III. Elections and Confirmations

- a. Voting Procedures
  - i. Bob Pisano explained the voting procedures
- b. Board of Directors (2 Board Members)-Nominees: Paul Pescatello, Marc Segal
  - i. Erik Soderstrom was nominated from the floor
  - ii. Nominees each made presentations and a discussion ensued
  - iii. Five-minute break was provided to accommodate voting
  - iv. Frank Hess reported the counting procedures and results, which were Paul Pescatello (95 votes), Marc Segal (91 votes) and Erik Soderstrom (24 votes).
- c. Architectural Committee
  - i. Election (2 AC Member)-Nominees: Paul Frantz, Carter Ohlman
    1. Two positions and two candidates. Without objection, Paul Frantz and Carter Ohlmann acclaimed
  - ii. Confirmations (1 AC Members), Tom Taylor
    1. One position and one candidate. Without objection, Tom Taylor was appointed

#### IV. Committee and Other Reports

- A. Finance Committee
  1. Treasurer's and Investment Reports
  2. SCHOA Accountant's Review Report for December 31, 2018

Derek Goodson presented the Treasurer Report. At August 31, 2019, the HOA has approximately \$380,000 in operating funds, and \$1,845,000 in the Fidelity reserve fund. Reserve fund balances are approximately \$378,000 in Project Common, almost \$700,000 in Spirit Dance, \$5,000 in Sun Dance, and about \$800,000 in Harvest Dance. Reserve fund expenditures year to date are \$274,000. About \$120,000 for Harvest Dance, \$41,000 for Spirit Dance, \$73,000 for Project Common and \$41,000 in taxes for 2018. Current projects include the Harvest Dance oiling and decks and entries. Earlier this year a new reserve study was completed for Harvest Dance and Spirit Dance and was shared with homeowners. Operating expenses are generally under budget. Recently, Associates of Glens Falls was hired to replace HUB as the association's insurance agent. This year, for the first time in many, two quotes were received. Coverage and premiums were reviewed including the history of the large increases since 2016, with premiums tripling since then. For the upcoming year, rates and insured values are increasing. D&O was a renewal challenge again this year. Insured values increased from \$24,000,000 to over \$40,000,000. Total premiums increased from about \$143,000 in 2019 to about \$220,000 in 2020. The association had a couple of claims this year with a water damage claim in a Spirit Dance and a D&O claim. The annual review

was reviewed by Thompson Palmer. The change of moving the reserve fund accounting from Thompson Palmer to in-house was reviewed. The tax complications were also reviewed. The Finance Committee recently met to review the Thompson Palmer report and recommended acceptance, the operations through August, the reserve study and recommendations, the investment policy, insurance status, the 2020 operating and reserve budgets and assessments.

Bob Wood reviewed the HOA's portfolio. At December 2018, fund balance was \$1,797,000. Since then, \$203,000 has been withdrawn, but the fund has grown by \$265,000, and more than covering the withdrawals. Over the last nine months, the portfolio has had about a 14% return with equities growing about 20% and bonds 9%. The portfolio has moved from about 80% in equities a few years ago to about 54% now, 26% in money market funds and the balance in fixed income. The transition from individual positions to index funds is almost complete. 40:11

B. Architectural Committee

Donna Falk reported that 2019 has been a quiet year for the ARC with one home, several remodels and the Harvest Dance project.

C. Legal Report

Similar to last year, the Association has no litigation, and has not been any for a number of years. Issues often arise and have typically been resolved.

D. Spring Creek Improvement and Service District Report

Stephen Price reported on the current road work. The project includes road repair this year, and chip sealing next summer. The status of Well #3 was reviewed which is occurring now and should be completed shortly. Other projects include water valve servicing, sewer inspection and cleaning, Bob Norton of Nelson Engineering answered some questions about the road work.

E. HOA Projects

Without objection, Bob Pisano deferred the topic to be discussed during the budget presentation.

F. SCHOA Operating Report

1. Fire Prevention & Control

Stephen Price introduced Fire Chief Kathy Clay, Battalion Commander Mike Moyer, and Rob Segori and Rich Oakes from Teton County,

Mr. Segori addressed preparation to minimize risks and how to live with the risks. Goals include protecting firefighters battling fires, homeowner safety, and reduce the risk to structures. Use Firewise standards. Look at structures and vegetation and make recommendations. Provide financial incentives to follow recommendations. This is a no-cost service of the County.

Kathy Clay spoke of wildfire studies and the impact of fuels. Important to mention fuels. Spring Creek Ranch is mostly grass and sage, which is lower risk than conifers as found with the Green Knoll fire or at Targhee. She spoke radiant, conductive and convective heat. Separation from the fire and reduction of fuels (wood piles and building materials). Creating defensible spaces is critical with lawns, deciduous trees, hardscape, harden your home and no conifers. When defending multiple homes with limited resources little things, like a wood pile, will result in a destroyed home. Preparedness is important.

Rich Oakes Emergency Management Coordinator for Teton County spoke about the three F's to address – floods, fire and winter. These happen every year. He spoke of Ready-Set-Go messaging. Ready means get ready. Set means be prepared to evacuate at a moment's notice. Go means evacuate. Most importantly, sign up for Nixle. Teton County can send an emergency notification for every wireless device in the County. Having in-house lists is incredibly useful. Regarding irrigation, the fire department would rather have green grass, and conserve water for firefighting during the actual fire. Ranch House is a great safe space during a wildfire. 1:52

G. Vision Committee Report

Donna Falk gave a brief overview of the history and advisory role toward enhancement of services and facilities of Spring Creek Ranch. She read a statement from Committee Chair. The statement focused on the fire safety issues, including maintaining the fire strip, drafting a comprehensive evacuation plan and a notification system. Other recommendations including XC ski and hiking trails, renovation of the fitness center, and renovations of the townhomes and single-family homes. She reminded that all came to Spring Creek Ranch for the beauty that it has and for the community or family that is here, and that we should not forget this important point. George Kallop expanded on the efforts that the Board in the coming year will hire consultants to help with drafting and guiding the Association with regard to the emergency evacuation and communication plan.

V. JH Real Estate Market

Ted Dawson gave an update of the Jackson Hole and Spring Creek Ranch real estate markets. The highlights were:

- Assets are in good hands
- SCR has 10 vacant lots left
- In other areas:
  - i. JHG&T – 5 residential sales – 4 homes and 1 cabin - \$543/sf - \$1,271/sf
  - ii. Teton Pines – Cluster Homes - \$577/sf-\$821/sf, Single family ranged from \$755/sf to \$1,200/sf. The latter was a brand-new home
  - iii. 3 Creek – five homes sales ranging from \$823/sf to \$1,129/sf
- Spring Creek – busy year
  - i. 3 Homes – highest was \$1,082/sf
  - ii. 1 Choate – not disclosed
  - iii. 1 Gruen – not disclosed
  - iv. 7 Harvest Dance – compared to a normal 4-5/year and have sales prices above \$800,000 – about \$662/sf
  - v. 1 vacant lot
  - vi. Total sales were about \$25,000,000 closed sales compared to \$10,000,000 in 2009 and \$14,000,000 in 2010 and \$19,000,000 in 2018
  - vii. Currently available - 1 Gruen, 1 Home and 1 Aman home
- Sales prices typically end up very close to list prices, and rarely above list price
- Improved townhomes should push the values with Harvest Dance pushing \$1,000,000, Gruens pushing \$2,000,000 and Choates pushing \$3,000,000. Enhancements will help all and are encouraged
- Ted commented on the Board and management, and that Spring Creek is in such great shape compared to others around the valley

VI. Old and New Business

A. Preliminary 2020 Budget, Assessment Schedule, and Payment Options

Derek Goodson presented an overview of budgeting process and assessment allocations. Material changes include insurance (\$140,000 to \$220,000), wage inflation of 8%-9%, Harvest Dance reserve contributions following forecasts presented earlier in the year, Spirit Dance reserve contributions will be building. A preliminary budget was

presented to the Board and reviewed by the Finance Committee. Some of the recommendations were additional reserve provisions, enhance the fitness center, provide Vision committee more funding, and being more mindful of environmental issues. Another aspect is moving to a community cable/internet program from Spectrum. Projects planned for 2020 include completing the Harvest Dance decks and entries, landscaping of the Spirit Dance cul de sac, tree mitigation, green strip maintenance, buck rail fence, driveway drainage, parking area sealing, and upper Harvest Dance oiling.

Preliminary budget forecast includes increases

- \$2.3 million vs \$2.0 million
- Homes – 9%-11% or \$60/month
- Spirit Dance – 20%-25% or \$300-\$400/month
- Harvest Dance – 25%-30% or \$350/month

B. Resolutions

Extended Insurance Coverage for Townhomes – M/S/U  
Excess funds – M/S/U

C. 2020 Annual Meeting Date

Saturday, October 3, 2020

D. Other Business and Open Discussion

Robin Suydam spoke about creating a Green Team/Committee to explore and implement conservation ideas at Spring Creek Ranch

The subject of dogs was raised and a brief discussion ensued. The policy outlined a few years ago was referenced. In particular, the Board does not want to get involved animal control. If you have an issue, call the County

The subject to the Spring Creek Inn and Granary was raised. Brenda Youkin, representing the owners, shared that no plans exist

A special thank you was given to Bob Pisano and Dave Conine for all the work and time over a number of years.

Stephen Price reminded folks about the dinner this evening and introduced the Granary team

Howard Schirmer requested that the Harvest Dance owners meet after the adjournment

VII. **Adjournment** – the meeting adjourned just after 12:09pm