

SCHOA ANNUAL MEETING

Saturday, October 3, 2020 – 9:00 AM

Minutes - DRAFT

- I. Call to Order and Establishment of Quorum**
 - a. Meeting was called to order by George Kallop
 - b. Quorum was established

- II. Moment of Silence for COVID19 Victims and Front-Line Workers**

One minute of silence was observed

- III. Welcome Announcement and Instructions**
 - a. George asked Stephen Price to provide instructions for the Zoom call.
 - b. Stephen provided instructions regarding muting and how to indicate when they would like to ask questions
 - c. Stephen announced that after over 30 years at Spring Creek Ranch, he and Derek Goodson are looking to options for the future, including the possibility of selling their interests.
 - d. George took over meeting and asked that the business of the meeting be conducted, and any questions or discussion of Stephen's comments be addressed later

- IV. Minutes for October 5, 2019 Annual Meeting**
 - a. George commented that the minutes have been posted on the website and asked for any comments by October 15 after which, they will be finalized.

- V. Elections and Confirmations**
 - a. George described the process and asked Frank to announce the results:
 - i. 71 owners voted some representing multiple lots
 - ii. George Kallop (78 votes), Stephen Price (82 votes) and Stuart Lang (99 votes) were elected to the Board
 - iii. Tom Taylor (86 votes) was elected to Architectural Committee
 - iv. Paul Frantz (87 votes) and Carter Ohlmann (82 votes) were reconfirmed for the Architectural Committee

- VI. Committee and Other Reports**
 - a. Finance Committee
 - i. Marc Segal reported that the draft audit of the HOA financial statements has been reviewed by the Board and Finance Committee and the final will be posted on the website when received. He reminded that the report is an audit as opposed to a review and that the audits are typically conducted every 4-5 years. Reserves for the HOA are in good shape thanks to Bob Wood's oversight. All capital that is needed for projects are in cash. Follow-up meetings will occur with various townhouse groups regarding updates. Harvest Dance update was started a couple of years ago with oversight from George Kallop, Similar process is being followed for Spirit Dance. Marc provided an update on the insurance situation. As a reminder, SCR is in a fire zone, and insurance is extremely difficult to get. Derek Goodson was able to secure coverage through a partnership with Spring Creek Ranch Management Company, saving the HOA approximately \$250,000 on the renewal. The D&O market has been challenging as there a few homeowners that prefer to litigate. Marc reminded that the HOA has never lost a challenge. However, the hard market and history has driven up D&O costs resulting in D&O premiums of \$96,000. Marc also revisited the wildfire risk recommending that homeowners contact their personal insurance agent to make sure you have appropriate coverage. The HOA and Spring Creek ISD have budgeted about \$100,000 to help mitigate risks with green strips. Marc thanked Stephen Price for his work with Teton County officials to provide assistance and guidance to

homeowners on hardening their homes. Reach out to Stephen to provide an introduction. Marc also cautioned about the fire danger posed by coniferous trees and suggested their removal. To conclude, Marc reminded everyone the all the financial information is posted on the website. George reiterated the need for homeowners to contact their personal insurance agents to make sure that they have appropriate coverage for their homes. George asked if there were any questions, and there were none.

b. Architectural Committee

- i. Tom Taylor relayed a brief report and noted that there are 2 homes under construction that are in the excavation stage resulting in a number of trucks. Also, people are starting to make some improvements. Tom reminded that while replacement with like kind materials does not necessarily need Architectural Committee approval, the AC wants you to contact it to make sure that the staging and scope of the jobs are not in violation. He also recommends that any roof replacements consider installing underlayers that increase wood shingle roofs from a Class B to a Class A grade, which is the highest rating. The upgrade is not that much more expensive and is highly recommended. No questions were posed to Tom.

c. Legal Report

- i. Frank reported that no litigation exists, but there are some hot issues being reservations/resort fees for non-resident rental managers with some complaining about unfair competition. He reported that the Board is working to make certain that all are on equal footing. Another issue involves some homeowners feeling that Spring Creek Ranch Management Company is charging the HOA too much for services and has requested a huge number of documents through attorneys, the HOA is working to bring that to a more manageable and reasonable amount. If any of these are not worked out, then the next step according to the HOA covenants is mediation, and if that fails, then the next step is binding arbitration. Frank was asked who the homeowners involved are. Frank declined to answer but indicated that the names are known by many. Pam Goldie-Morrison raised the issue about the \$50 retainer fee charged by the management company to some owners and not others. Frank responded that the question has not been posed to him that way and that he was unaware. When the question was posed to Stephen Price and Derek Goodson, Marc Segal interjected reminding all that the service in question was not related to the HOA and could be taken up later.

d. Spring Creek Improvement and Service District Report

- i. Stephen Price reported that Well #3 is completed. Other projects include water valve location, including the one buried under pavement by Amangani. The pump station interiors were all cleaned and painted. The lift stations near Amangani are being repaired. New projects include fireproofing pump station #2, including metal roof and defensible space. A land line is being installed in pump house #1 to improve the telemetry and avoid the recent communications failures. Sewer caps on the valley floor are being waterproofed. Dave Conine commented that the chip seal was a fabulous job and thanked whoever is responsible.

e. HOA Projects

- i. Stephen Price reported that projects on the horizon are fuel mitigation and trimming of HOA trees this summer and fall. Harvest Dance projects are resuming later in October with staining and completing lower Harvest Dance sliders in October. These latter projects are a scheduling challenge to avoid impacting owners visits and rental guests. Dave Conine asked that the outdoor spa renovation by the Inn units and Choates be stopped. Donna Falk mentioned that the Spirit Dance owners prefer that spa. George Kallop indicated that the Finance Committee is going to look at altering the allocation of these costs in future so that the costs allocated are more based on use.

f. SCHOA Operating Report – included above

g. Vision Committee Report

- i. Michael Lehman reported on the fire mitigation efforts and the sub-committee of Marc Segal, Michael Lehman, Donna Falk, Robin Suydam and Linda Taylor. Y2 Consultants were engaged to assess and make recommendations. The report will be in three parts of protecting people, protecting property and open spaces/green strip. Work has been slow. The report is expected later this fall. The report involves advice from Jackson Hole Fire/EMS, Teton County Emergency Planning Committee, and the Teton County Conservation District. The committee will recommend that copies will be provided as a hard copy, by email and on the website. Emergency notifications will be provided by the Teton County's Nixle system. Michael informed that the risk assessment provided by the Teton County Conservation District is free and includes an incentive to homeowners with up to \$3,000 of subsidy to remove dangerous vegetation. Michael also reminded all that we are all in the mitigation together as actions of one owner impacts their neighbor. Most of the other work this year has been on wildfire defense. Other projects include planting shrubs to screen the maintenance building, repairing the buck rail fence on the ridge, removal of old barbed wire fencing, shuttle services and vehicles, more signage on the ridge trail, and creating a network of hiking trails. The latter is a real visionary item. Michael indicated that the Board is very supportive of these efforts. Marc Segal also reminded homeowners of the enhancements in SCR's fitness room. Tom Taylor suggested that the committee keep homeowners informed of the various aspects of mitigation as not all have the same circumstances or situations. George reiterated that all homeowners should subscribe to Nixle.

VII. JH Real Estate Market

- a. Ted Dawson began his presentation with an early prediction that he thought 2020 would be a slow year, but in fact it has been one of the busiest years in history. As an indicator, over 300 new kids were enrolled in school this year with people moving here. The actual dollar volume for Jackson Hole is unknown but is likely over \$1 billion. At Spring Creek year to date, there have been 11 transactions, including 4 Harvest Dance units with the high being \$950,000 vs the 2019 high being \$815,000, 1 Gruen, 1 fraction, 3 single family homes with the high being over \$10,000,000 and 2 Aman homes with value of these two sales being greater than total 2019 sales for all of SCR. One was over \$18,000,000 and the other over \$10,000,000. Year-to-date closed sales are over \$52,000,000, and \$44,000,000 under contract. SCR has become one of the most desirable communities in the valley with all the services and amenities available. The added security during the early pandemic helped raise the awareness and value of SCR. On the square footage analysis, the high of the Aman home was \$1,500/sf. An SCR home just went under contract for \$1,700/sf. Homes are now going for over \$1,000/sf to give you an idea of the demand. At JH Golf & Tennis, year to date there is \$26,000,000 in sales and \$16,000,000 pending. At the Snake River Sporting Club, year to date sales of \$42,000,000 have closed with a high of \$9,000,000. This all confirms that Spring Creek/Aman are certainly one of the most desirable locations. Teton Village and Shooting Star are an anomaly with recent sales of \$13.9 million and \$15.7 million. These areas also have much more inventory and improvements on-going. The current inventory is one of the lowest in history. Currently at SCR, there 2 fractional, 1 Harvest Dance listed at \$945,000 and another under contract at \$925,000, 1 home is listed at \$12,900,000, and an Aman home listed at \$11,000,000 million, and 2 lots available at \$2,100,000 and \$5,400,000, and 1 Aman lot at \$1,900,000.

VIII. Old and New Business

- a. Preliminary 2021 Budget, Assessment Schedule, and Payment Options
 - i. Marc Segal indicated that the budget will be posted on the website. He also outlined the various payment options – 3% discount if paid in January, pay with a credit card monthly with a 3% convenience fee, or monthly by ACH transfer.
- b. 2021 Annual Meeting Date – October 3, 2021 barring any conflict with any high holidays
- c. Other Business and Open Discussion
 - i. George reported on the various aspects of the program for the Jerry Johnson's Inn and Granary. The Inn units will be improved. The Granary will be renovated with the bar area being the reception for the Inn. There was uncertainty over whether the

Granary will be a restaurant. It was reported that it would return as a restaurant. Tom Taylor requested that the AC be involved with any exterior work, and that the AC exist to help and make sure that any work is conducted properly.

- ii. Dave Conine had questions about thoughts and intent about Stephen Price's earlier announcement. Duncan Goldie-Morrison asked whether there would be a conflict if the HOA wanted to buy the property. George reminded all that SCRMC is a private company that can make decisions accordingly, and that while Stephen Price is on the Board, there are still four other Board members. Paul Pescatello also indicated that HOA is also the most interested party and that open communication would be good. Tom Taylor also encouraged more communication and the HOA should look at this as not just the end of an era, but as an opportunity for all. Tom also suggested that a committee be formed to help the process to determine what is best for all – HOA and SCRMC. Donna Falk also reminded all about the complexity of the operation. George concluded that Board is aware of all the issues, will discuss the matter and develop a group conversation/working group. Dave Conine cautioned about being in the resort hotel business. Howard Schirmer shared his experience with a similar situation with a property he owns in Aspen where the homeowners were unaware until after the sale occurred.
- iii. Saul Silverstein suggested that the road shoulders be reviewed to prevented damage from truck traffic.
- iv. Duncan Goldie-Morrison suggested a larger Board to avoid conflicts. George reminded that conflicted parties should recuse themselves from votes and if necessary, discussions. This has worked well in the past, and that Board has four other very capable Board members.
- v. The question was asked if Stephen Price recused himself from the Reservation/Resort Fee issue, and George confirmed that he did.
- vi. Mac Riley thanked George for his efforts, and Stephen and Derek for their contribution to the community. He suggested that we engage with Stephen and Derek in a more constructive manner taking issue with some concerns raised by others today, and that he has no concern about Stephen being on the Board.
- vii. Stephen summed up part of the discussion by sharing the experience of over 30 years of HOA meetings, and when Mike Hammer turned control of the HOA over to the HOA. This scenario is similar. He shared some thoughts about the future in that both Stephen and Derek, while not perfect, are proud of their accomplishments enabling Spring Creek Ranch to be what it is today and want to make sure that their successors are good stewards for the community.
- viii. Donna shared a thought that the community has always come together leaving differences aside, and this is just another time that we should try to do so.

IX. Adjournment

- a. George concluded the meeting at about 10:30AM