

Meeting Minutes

2019 Alpine Mountain Ranch & Club Homeowners Association Meeting

Held at Owners' Lodge on December 17, 2019, 2:00 p.m. MST

Attendance:

Andy Daly (HOA Board President)

Anne Kurowski (HOA Admin./Property Manager)

Jamie Curcio (AMRC Construction Manager)

Steve and Karen Speer (Lot #31)

Suzanne Schlicht (AMRC Senior Vice President & Director of Sales)

A teleconference number was distributed via email on 12/11/2019 for individuals not able to attend in person. Diane Benck (Lot 28) attended via teleconference.

Call to order

The meeting was called to order by HOA President Andy Daly at 2:00 p.m.

Approval of minutes

Andy Daly requested approval of the December 11, 2018, HOA meeting minutes. Steve Speer motioned to approve the 2018 minutes. Diane Benck seconded the motion, which carried unanimously.

Marketing and sales update

Suzanne provided the owners with an update and overview of 2019 including the following.

- Bob Dapper has retired from his role as Director of Development, with his last day being December 12, 2019.
 - Suzanne has assumed her new role as Senior Vice President and will continue in her role as the Director of Sales.
 - Bob will continue to serve on the board at One Steamboat Place, for the benefit of the Alpine Mountain Summit Club.
 - Bob has developed and will oversee a new Ambassador Program for the ranch. The Ambassador Program is comprised of local advocates for the ranch who are charged with communicating information, spreading good will and positive messages about Alpine Mountain Ranch & Club, to further drive its exposure.
- Recap of sales and welcomed the new owners.
 1. Lot #12 market home sold in October 2019.
 2. Lot #7, a resale, sold in December 2019.
- 2019 successful relocation of lots 60-63 occurred, with the changes being made to the sales model in December. She thanked the owners for their support and cooperation to get this accomplished.
- Market home at Lot #18 is completed and is expected to be sold by the end of the winter.
- Groundbreaking occurred on a new market home located on Lot #19 in November 2019, with finishing expected in the spring of 2021.
 - New to Lot #19 market home:
 - general contracting services will be performed internally
 - brought on site supervisor Cody Kurowski to oversee the project day-to-day

Suzanne then broke down the 2020 sales and marketing strategy.

- Continuation of market home development, which brings traffic to the ranch and helps with overall exposure.
- Directing marketing strategy toward younger families, which we've seen a higher interest from over the past year.
- Utilizing our recently developed Design/Build program to increase buyer interest in lots.
 - providing customizable design and build services to lot purchasers below market cost.
- Continuing relationship with Alpine Mountain Summit Club members and One Steamboat Place owners, by hosting activities for members and owners at the ranch throughout the year.
- Hosting high -marketing events, which bring prospects to the ranch.
- Asking owners to keep AMRC alive in conversations with acquaintances and friends.

Budget Review

Andy stated that in order to begin anticipating the potential needs for the HOA, and further with the Metro District, we have decided to develop 10-year plans for both entities for maintenance of assets and infrastructure, which will be reviewed later in the meeting. By doing so our goal is to:

- minimize future special assessments
- develop reserve accounts to cover foreseen and unforeseen items

Andy continued reviewing the budget expense highlights:

- Payroll increase of \$15,550
 - Includes compensation increase for Anne Kurowski, as well the addition of sharing her taxes and benefits, which have historically never been split with the HOA.
 - Steve added that he supports this increase and stated that the HOA should recognize the benefits they get from Suzanne and Jamie, who are not paid by the HOA. He believes the increase is more than fair since the owners get the benefit of all the staff on site.
- Contract labor increase of \$3,600
 - Saul Hernandez increased hourly rate from \$25 to \$30 to recognize him for his hard work. Saul has not received an increase in 5 years, and it was decided that a compensation increase was appropriate.
 - Steve added that \$30 is expensive for an hourly rate, but he was made aware the Saul is an independent contractor and that he also uses his own equipment. He believes the increase is fair.
- Christmas decorations decreasing
 - Anne stated that there had been an oversight in the holiday lighting expense coding. She stated that AMRC is supposed to pay for the front entry lighting and the HOA is supposed to pay for the owners' lodge lighting. She continued stating that the HOA would receive a credit from AMRC, to reimburse the HOA for the entry lights coded to the HOA in error. Further, Anne said that the 2020 budget would be updated to reflect a \$500 increase from 2019.
 - Steve asked for clarity on what the budget would be for 2020 for holiday lighting.
 - Anne stated \$4,500 compared to \$4,000 in 2019.
 - Suzanne added that the front entry area would be replaced before the end of the year in 2019 and will be paid for by AMRC.

- Steve asked if the Alpine Mountain Ranch & Club light was fixed, as it kept tripping over the summer months.
 - Anne replied that she believes it has been fixed, and that was caused by the sprinklers tripping the outlet, but she will ensure it has been corrected.
- Trail maintenance increased by \$2,200
 - Anne stated this is due to an overall increased maintenance on the trail systems, golf cart path, as well as 50% of the cross-country trail grooming.
 - Suzanne added that AMRC will pay for building hiking trails. Further, that the HOA will begin to split the winter cross country trail grooming with AMRC.
 - Steve suggested that the golf cart path could use a blading done on it, to eliminate some of the wash boarding. He suggested doing this in the spring when the ground is still soft. The team will investigate options for this.
- Added \$50,500 maintenance reserve for the Metro District
 - Andy stated that this contribution is the most effective way to pay for the newly developed 10-year plan, which will be beneficial long term for the infrastructure.
 - Steve added that he was in favor of this and has been an advocate in having a 10-year plan created for the HOA and Metro District.
 - Diane stated that she is looking forward to reviewing the Metro District for clarity on what their responsibility is. She also added that she is happy that there is now a capital plan in place.

10-Year Metro District Capital Projects & Reserve Schedule

Andy continued by reviewing the Metro District's history as follows.

- Installed the water system and purchased the existing water system in Priest Creek.
- Built the road system and amenity buildings.
- Leases the amenity buildings to the HOA, effectively being a triple net lease.
 - HOA is responsible for internal maintenance and external cosmetic painting/staining.
 - Metro District is responsible for:
 - Structural elements including replacement and repairs on these buildings.
 - Water system repairs and maintenance.
 - Road systems including guard rails and signage repairs and maintenance.
- The Metro District has no employees and only one independent contracted employee; a licensed wastewater technician who manages the water system.

Andy then reviewed the 10-year Capital Projects and Reserve Schedule by line item. He informed the owners that these are place holders and that schedules may be shifted based on a yearly determinations. Following the schedule review, he asked for any questions or comments on items that may have been overlooked.

- Karen asked who is responsible for staining the buildings.
 - Jamie responded that the HOA reserve would pay for this, as maintenance is the responsibility of the HOA.
- Steve inquired about the water system. He suggested the inclusion of a line item for the water piping system.
 - Andy replied that annual repairs on the piping system are budgeted and covered in the Metro District's operating budget each year instead of in the capital projects.

Andy finished this discussion stating that the Metro revenue budgets are very conservative, and assumes it is receiving only one tap fee per year. Suzanne added that the deficit noted in 2027-2029 should be covered by the anticipated growth over the upcoming years, which increases the tap fee income for the Metro District.

10-Year HOA Capital Projects & Reserve Schedule

Suzanne began the review by noting that the HOA, unlike the Metro District, already has reserve funds in the amount of \$75,170 as of 2020. Jamie continued the review by stating that the schedule of these items may be shifted, as Andy had mentioned, and reviewed the plan as follows:

- Appliance repairs or replacements are projected in the guest cabin in 2024 and may not be a full appliance replacement.
- Heating and hot water replacement/repairs:
 - Barn: new fireplace in 2026
 - Guest Cabin: new furnace in 2021, washer and dryer in 2023, and new fireplace in 2028.
 - Anne added that the owners' lodge furnace was replaced in 2019 and that a new wood burning insert was added to the hermitage fireplace in 2019. This was due to the hermitage smoking up and unable to produce enough heat, ultimately being unusable in the winter.

Steve suggested that we didn't need to go through the budget line item by line item but had a question on one thing. He asked why we have \$10,000 for a "livestock shelter" if we have a barn?

- Jamie and Suzanne explained that it is an outdoor shed for the horses to find protection from severe weather, especially when staff is not here to bring them inside.

Budget Approval

Steve motioned to approve the budgets, with Diane seconding this. The motion was approved unanimously.

Transportation and Amenity Building Usage Guidelines

Andy opened the topic, stating that Anne and Suzanne have put together a draft of policies to outline some usage guidelines for the ranch as ownership increases. The draft will be sent out to owners for review and to get feedback and input before a final version is put into place.

- Steve added that the guidelines should be designed around having more owners vs. having only a few, as we currently do. He stated that it is much easier to give than to take away amenities and suggested a week per year as priority for guest cabin stays. He believed that the drafted number of days was too many. He asked how many owners we currently have, to which the reply was 11 owners.
- Steve also commented on the transportation aspect, and inquired how much do we want to get involved with this?
 - Andy concurred with Steve, that the transportation would eventually require a full-time transportation staff member and wanted to make clear that this would be an HOA expense.
 - Diane agreed that transportation could get very expensive and questioned if it would get used that much.
 - Andy added that he agreed and that it should be discussed more extensively.
 - Suzanne added that it is an important tool to use for sales and finds that it is something we need to offer to be competitive.

- Suzanne added that the developer indicated that the threshold is around 20-25 lots sold, at which point an amenity building and a duplex cabin would be built, adding more availability for cabin stays.
 - Diane asked if there is a rule or commitment around this?
 - Andy responded that there is no commitment but that it is always being discussed and that it is still part of the plan.
- Diane requested clarification on the structure of the building of new amenities. She asked if the developer was responsible for the building of these at which point, they would be turned over to the HOA for maintenance? She expressed her concern of increasing dues with the addition of more buildings.
 - Andy confirmed that she was correct. He also added that he and Bill Butler have worked hard to keep dues as low as possible, as it is a competitive advantage. He continued stating that until lots are sold, the developer pays the HOA dues on each unsold lot, so that the burden is shared amongst 47 lots and not only the ones that are sold. Andy stated that increases will happen, but that they anticipate them to be modest, especially with the new reserve plans in place for both the Metro District and HOA. He further added that once the additional 16 lots are released; the cost will be split amongst all 63 lots which will help support stability in dues.
- Diane stated that her impression of the Metro District was that this was an owners' onetime capital expense, but she's realizing that there is continued maintenance funds needed.
 - Andy clarified that the maintenance funds are obtained in three ways:
 - tap fees
 - property taxes (5 mil added to the county property tax)
 - contribution from the HOA
 Further, Andy stated that the HOA dues paid cover all contributions to the Metro District, other than the \$150 water usage fee each quarter.

Andy added that next year our goal will be to coordinate the annual holiday party with the HOA meeting in hopes that more owners will be able to attend.

Adjournment:

With no further business or questions to discuss, Andy Daly adjourned the annual HOA meeting.