



**ALPINE MOUNTAIN
RANCH & CLUB**
STEAMBOAT SPRINGS, COLORADO

DRAFT

**Alpine Mountain Ranch Association
Annual Meeting**

Tuesday, December 19, 2023, 1:00 p.m. MST

Alpine Mountain Ranch Owners' Lodge and Virtually by Zoom

Attendees: Andy Daly, President, Suzanne Schlicht, Secretary, Audrey Williams property manager, Russ, Vice President & Tina Sherlock-lot 12, Steve & Karen Speer-lot 31, Debbie & David Dacus-lot 29 & 4, Mary Fitzsimon-lot 14, Rene & Mary Lorenz-lot 40, Marc & Molly Anderson-lot 35, Keith Steiner-lot 10; Carey & Beth Johnson-lot 25; Diane Benck & Dennis Frlan-lot 28, Chris & Kathy Knacksted-lot 26, Richard Ludlow-lot 11.

Zoom – Rich Goudis-lot 44, Bruce Douglass-lot 32, Fred Taylor-lot 20, Chuck & Carrie Reuben-lot 19, AJ Suarez-lot 23, Liz Coker & Paul Smith-lot 34, Susan Monahan-lot 60, Augustin Arellano-lot 16, David Aronson-lot 21, George Strompolos-lot 18, Justin Segall-lot 8.

Andy Daly, President called the meeting to order at 1:00pm MT. He introduced the board members, Susan Schlicht and Russ Sherlock, and stated that we have a quorum. We are preparing for the transition from the Developer control to the AMR Association control and are trying to minimize surprises. We are doing quite a bit of planning and have put together a 5-year proforma. The developer is currently paying dues on 17 of the lots and a significant part of the expenses but each year some of these expenses will transition to the association.

Suzanne – Welcome to everyone including our new owners Dwight & Christine Cooper, lot 56; Liz Coker & Paul Smith, lot 34; Liz & Ryan Purdy, lot 61; and Beth & Carey Johnson, lot 25 and finally we have lot 41 under contract with Cathy & Greg Wiemer who will be closing in February 2024.

Daly – Called for the approval of the minutes. Russ Sherlock motioned to approve, Fred Taylor second the motion. The minutes were approved unanimously.

Williams provided an operation update.

- Timber management for 2023 & 2024

- We completed 15 acres of wildfire mitigation. 10 acres in the priest creek drainage, 3 acres in the open space between lots 61 & 62 and 2 acres in the Hermitage/Kemry Lane area.

Chuck Reuben asked about the timber that was left on the ground and the potential fire hazard.

Audrey explained that the timber would eventually rot and become part of the forest floor.

In 2024 we plan to continue timber removal in the Priest Creek drainage and get to the areas that heavy equipment could not. Mainly the areas along both sides of the creek. We will remove some of the wood and the rest we will create burn piles for the 2024/2025 winter. We will also remove more standing dead in the Hermitage/Kemry Lane area.

- We are also working with the Colorado Cattlemen’s Agricultural Land Trust and the south valley ranches, Storm Mountain, Catamount, Priest Creek Ranch, and Sydney Peak to secure funding at the state level for wildfire ready watershed grants. The goal is to secure funding for a study & plan for fuels reduction, riparian restoration, water quality enhancement, habitat enhancement for wildlife and improved soil health.
- USPS Mail Shelter
 - Reported that we moved funds around in the capital reserve to build the mail shelter. We had a budget of \$23,000 and we spent \$19,000 to complete the project.
- General operations update
 - Stated that we had a large snow year that led to some unexpected maintenance items. We repaired a roof leak at the owners’ lodge kitchen, removed snow at the lakeside cabin to clear the vents (this impacted the heating vent and turned the heat off). We also had to repair more fencing than normal. We dredged Priest Creek and the cistern; this allowed us to refill Lonecast Lake. The summer was full of events, horse rides and guest cabin stays.

Carey Johnson - Asked if there is an opportunity to have timber removed on private lots.

Williams– Suggested using Rocky Mountain Youth Corp to do this work when they are here training their sawyers.

Liz Coker - Can owners use some of the wood that is cut for wood burner fireplaces.

Williams – Replied that yes, the wood is available to owners.

Schlicht delivered a sales update.

We have had 5 sales contracts this year. Four have closed and the fifth one will close in February of next year. Since our large boom in 2021 of 18 lots, sales have slowed. Sales are still strong, and prices have continued to grow in terms of the lot sales, which is good for everyone here. With the sale of lot 41 we will have 17 properties left in our inventory, 16 home sites 5 in the first phase and 11 in the upland preserve. We also still have lot 36 the market home for sale. When we get to 48 sold that is the trigger for the HOA to take control of the association from the developer. We expected that to be in 2024. We have 5 lots for resale, lots 2, 24, 62 and homes 7 and 13. In November it was the first time that we had a privately owned home listed for sale. This is a new phase for us and I think we will see some record-setting sales here.

Cody Kurowski, President, Alpine Master Builders (AMB) delivered a construction update.

Alpine Master Builders has completed 4 homes year to date lots 36, 13, 60, 36. We have 5 homes under construction and one renovation. We have contracts secured for 4 homes to start in 2024, two at the ranch and two outside. AMB has built 18 of the 45 lots. This map shows the lots sold and who is building on the property.

An update on the current construction climate. Lumber prices have dropped 30% from the COVID era highs, concrete has leveled off as well as steel. Labor continues to rise with construction demand and the local cost of living. Builders Risk and General Liability insurance has risen across Colorado as a whole and we are facing those increases. Overall AMB construction costs range from \$820/square foot to \$1600/square foot.

We are seeing some progressive trends with geothermal and solar. With that we are seeing some new policies in Routt County with snow melt systems. All snow melt systems need to be generated by renewable energy. Construction timelines range anywhere from 15 months to 24 months depending on the complexity of the home.

Alpine Master Builders is committed to managing our projects from parking & traffic, silt fences, and trash to limiting mud on the streets, we have contracted with NRX and Native to sweep streets and we also have our in-house street sweeper as a backup plan.

AMB we are a building company and we recently added interior design. This has proven great efficiencies in the build cycle, and we are very excited to offer this service.

Williams provided a financial review of 2023 and presentation of the 2024 budget.

We ended up \$30k over budget that that was due to the leak at the owners' lodge that I discussed previously, snow removal, increase in legal fees for the HOA property at Priest Creek ranch property. Also, the design review fees will continue to be over due to timing of billing and then the spend of those fees during the building phase of 15-24 months.

The HOA board met last week, they reviewed and approved the budget. We increased the dues to \$10k to ensure we don't have a short fall next year. This year we are taking a different approach to the guest cabins and will have a nightly fee of \$100 and the cleaning fee of \$160/\$195 based on the number of bedrooms. The nightly fee will cover the expenses of the cabin such as propane, electricity, wifi, satellite, etc.

The Lakeside cabin expenses will be paid by the developer and the nightly fee collected will go to the developer to cover those costs.

Other expenses that will be split between the developer and the HOA, based on usage this past year, the horse program will be split 80/20 HOA/Developer, Owners' Lodge 60/40 HOA/Developer and trash will be split 50/50.

The management fee was increased to cover the intern costs and a portion of the Cadillac. I do use the Cadillac a lot for ranch errands and airport shuttles. We increased added \$15k to stain the bridge and the guardrails and we also increased fence maintenance by \$5k for a total of \$19k. The fences are in bad condition due to weather and elk/deer traffic at some point we may need to replace more fencing in the future.

- **David Dacus** – Is there a location at PC where we builders can store their trailers and construction materials?

Schlicht – A lot of the items you have seen around the ranch this summer we have done our best to either move the materials to the job sites or store them behind the original guest cabin. We do have a recreational vehicle easement on a one acres parcel at PC. However, I don't believe we can store maintenance/construction materials on that property. There would be a possibility to develop that land and store items such as RV's, boats, horse trailers, etc. We will need to build a road to the property at CR 24. We are open to suggestions on where we can store these kinds of materials.

Daly – your observations are noted, it is a priority that the ranch is always looking its best.

- **Debbie Dacus** – 80/20 split with for the horse program, can you explain how you came up with this split

Williams – We looked at the number of rides this summer and 80 percent of the rides were for homeowners/family/friends and 20 percent was for marketing purposes. The costs associated with the horse program are the leases, shoeing, grains, etc. The horses are fed the hay from our previous year and then of course grazing in the meadows.

- **Richard Ludlow** – you mentioned fencing repairs, are the fences mainly for horses?

Daly – We previously grazed cattle for our agricultural status for tax purposes and that is why we have fencing. As we move forward it will be for the horses.

- **Paul Smith** – on the splits with the developer is that something we look at yearly? Once the HOA takes over will the developer stop paying entirely or how does that work?

Daly – If the developer is using certain services, they will pay their fair share. As the marketing & sales program winds down the developer will be paying less.

Paul Smith – Will the lakeside cabins eventually turn over to the HOA?

Daly – the way it works now is the land under the cabins is owned by the Metro District. We have an agreement with the HOA that after 10 years those cabins belong to the Metro District for the benefit of the homeowners.

Steve Speer – Also, because it belongs to the Metro District there are no property taxes paid. This is a huge advantage.

Paul Smith – When is the 10-year mark?

Daly – we just passed the 1-year mark. We will have more get-togethers to discuss the HOA expenses. We will need to look at the various services that the HOA will want to keep, such as vehicle services to the airport and employees to support those services. Britt Havard will be leaving as of January 1st and the staff will consist of Kristin Hagar, Audrey, and Suzanne. I would like to ask that you be respectful of their small team and be sensitive to asking the staff to do things. We don't intend to replace Britt since the market is down. Things like checking mail, putting out trash, checking on packages at your house, these things should be handled by your property manager. This will allow Audrey to do the duties that she has been assigned to do.

- **Debbie Dacus** – The car service should be revisited.

Daly – We may want to look at making a deal with a local service in town for airport transfers. Also, right now Audrey is an employee of Corporex, and she has a great 401k and health insurance. As we look to the future we need to see if we can work with Corporex and continue with the HOA reimbursing Corporex for those benefits.

Suzanne – to be clear on the transportation, 4 trips to the airport for each year and then we charged after that. We have 42 unique owners and if everyone is using the service, we would need to hire others to cover that.

- **Rich Goudis** – I have a lot of questions regarding the budget. The HOA fees are going up significantly and the services are staying the same. Are there other areas where we charge for services and reduce the HOA fee.

Daly – We looked at what we need to charge to cover the expenses. Management expenses went up, shifting expenses from the developer to the HOA.

Rich Goudis – Some suggestions would you give more consideration to a market rate like Airbnb ie. \$350/night? What is the transfer fee?

Schlicht – When there is a resale the association charges a 2% fee on the sale. This is paid for by the buyer.

Rich Goudis – would you consider the a flat rate for the HOA and then charge per ride. Why is there a 100% increase in weed control. Also, what are the aquatic fees?

Williams – We don't do weed control/fertilizing in the hay meadow every year, but this is a year it needs to be completed. Aquatic fees cover the maintenance of the lake, managing algae and cattails. Restocking the lake with fish every few years.

- **George Stompolos**– When we transition to the HOA control, can you speak to board make up and HOA representation and how that may evolve.

Daly – Right now we have 3 people, me, Russ and Suzanne. Suzanne & I will drop off the board, you will have two more homeowners on the board and there is a provision for up to 5 board members. This will happen through an election.

Schlicht – regulations call for a 60-day transition.

10-year Association capital reserve plan.

Audrey – in 2023 we completed the mail shelter for a total of \$19k. We fenced the HOA property at PC ranch. The lake aerator compressor failed in the spring and was replaced. After several years of planning to build livestock shelters, we installed 2 in the pastures. We also added a second cluster box and a parcel box. We also completed tree removal for a total of \$221,000 HOA reserve funds and an additional \$45,400 grant from the Colorado state forest service.

In 2024 we will stain the guest cabin that we had taken out of the 2023 budget for the mail shelter. We will also purchase a ranger for ranch operations and continue with the tree removal in the open HOA land.

Metro District

Daly – Three principle areas of operation, the roads, the water system and the amenity buildings. The biggest projects have been to add the badger meter system, the second is upgrading our filter system. We are waiting on the state approval for the 3rd filter. We haven't had any supply issues, but it doesn't give us a large cushion. We currently have 4 wells and an infiltration gallery that is located at PCR. Lastly, we have a concern of the deterioration of the roads with all of the construction traffic.

Amenity buildings

Insurance is currently taken care of by the developer.

Revenue sources are the following:

1. Mill levy, which is currently at 5 mills and this will go to 11 mills. As more homes have come on the expenses have gone up and the revenue hasn't.
2. Use fees – based on water utilization.
3. Tap fees – these are based on \$2/sq ft for the house. We will likely increase the tap fees going forward.
4. Contribution from the HOA – currently \$140k per year.

This year the state is requiring the homeowners have a certified backflow device. The metro district will work with a certified tester to come out and test each device and then we will charge each owner.

Liz Coker – are there any issues with having a grey water systems?

Andy – I'm not aware of these systems in a small community.

Staffing issues.

Daly – As we discussed we are here to help, but with the more mundane items please have your property manager take care of these issues.

New business

Hope to see everyone at the Holiday Party at the art museum tonight at 6pm.

Daly - Thank you for your patience with the audio issues, the meeting is adjourned. Hope everyone has a happy holiday season.