



2021 Annual Owners Meeting

Tuesday, August 24, 2021, 2:00 pm
Various Locations via Zoom Video Conference

Meeting Minutes

I. Call to Order

Director Mr. Bruce Hill called the meeting to order and reported that a quorum was present.

II. Result of Board of Directors Election

This year two Board Members, Mr. John Culbertson and Ms. Jolie Nelson, were elected as first-term directors. There were no other applications received from any Owners; therefore, both Mr. Culbertson and Ms. Nelson were elected to serve on the Board for a 3 year term.

III. Approved Minutes of Annual Meeting of Owners held August 17, 2020

Mr. Hill advised that the Board of Directors have reviewed and approved the Annual Meeting Minutes for the meeting held on August 17, 2020. The minutes are posted on the website.

IV. Appointment of Cody Lund as TPOA Executive Director

Mr. Hill reported that after Mr. Frank Christensen retired as President of the Board of Directors and moved away from Teton Pines, the Board appointed Mr. Cody Lund as the Executive Director while the Board tries to figure out how to replace Mr. Christensen.

V. Introduction of Current Board of Directors

Mr. Hill introduced each director as follows: Mr. Bruce Hill (Secretary), Mr. Tom Garrity (Treasurer), Mr. Dan Brophy, Mr. John Culbertson, and Ms. Jolie Nelson.

VI. Introduction of Affiliates

Mr. Hill introduced the following: Mr. Cody Lund (President of HMG – Service Company for TPOA, Executive Director), Ms. Rachael Heuseveldt (Officer Manager of HMG), Ian Johnston (auditing and accounting consultant for TPOA), and Ms. Sara Van Genderen (legal counsel to TPOA from Geittmann Larson Swift LLP).

The agenda was amended at this point in the meeting to move the Infrastructure Project Update and information about the Common Area Landscaping Committee to the beginning of the meeting.

VII. New Business and other Topics

A. Infrastructure Project Update

Mr. Culbertson thanked Owners for their patience with the project and road closures. He reported that the project started later in May than was originally planned, but that the main trenching should be completed around mid-October.

Mr. Culbertson advised that repaving the roads where the trench link was dug will occur in two to three phases. The first phase will begin mid-September. The second phase will begin late October, weather permitting. A possible third phase will occur in the Spring of 2022.

Mr. Culbertson reported that the trenches have been dug deeper and wider than what was originally planned due to Lower Valley Energy installing new electrical conduits at this time while the trench is opened. LVE is covering the full cost of this.

Mr. Culbertson advised Owners if they signed up for natural gas to be hooked up to their home this year Lower Valley Energy should have already contacted them. They expect to have everyone who signed up hooked up this year. They will start at the South end of Teton Pines and work North. He also advised Owners to talk to LVE and their suppliers about gas conversion to their appliances.

Mr. Culbertson advised Owners if they signed up for fiber to be ran to their home this year Silver Star should have already contacted them. They will get as many done this year as possible before the cold temperatures stop them from being able to do so. They will continue running fiber to homes first thing next Spring when the temperatures rise.

Mr. Culbertson advised trenching to individual homes is usually done by a subcontractor. Owners will have to hire and pay landscapers to repair their yard.

Mr. Culbertson advised he had miscalculated and misinformed Owners on fiber equipment installation costs. He apologized for this and reported that it will cost Clusters residences approximately \$1200 for equipment installation and that Estate residences will vary.

Mr. Culbertson reported that the Infrastructure Project is currently under budget and any extra funds will be returned to Owners.

B. Common Area Landscaping Committee

Mr. Culbertson advised that the Common Area Landscaping Committee was formed last year, but with the Infrastructure Project going on they decided to wait before presenting a plan to the Board. The committee is going to meet in September and formulate a plan to present to the Board of Directors. However, the first phase of cleaning up abandoned common beds is in progress. Existing plants have been removed and new mulch is being put in.

VIII. Operational Review

Mr. Brophy couldn't attend the meeting due to illness. He asked Mr. Lund to deliver his report for him.

A. Quarterly Newsletters and Topic-Specific Emails to Owners

The Board is making extra efforts to increase the level of pertinent correspondence to Owners, both by more informative quarterly newsletters and by topic-specific emails to Owners as warranted. These more comprehensive communication efforts will continue.

B. Security – Guard Station, Electronic Gate Access System

A land survey this spring revealed that the existing guard station is located almost exclusively on TPCC land. Because of county land use regulations, this presented County regulatory and other complications to the planned project to renovate the station and beautify the surrounding area. An additional complication is that the association must reasonably anticipate that the point will arrive when it cannot fill labor positions for one or both security shifts. In its June meeting the Board re-evaluated the possibility of using TPOA land by the Pioneer ditch culvert to construct a gate-only entrance with some elemental beautification to further demark the entrance area. This new approach solves many problems including eliminating the go-around by the driving range and offers the possibility of large savings. The Board is working with the County to obtain approvals and are optimistic they will be able to proceed. However, planning depends on design work from the landscape planning and electronic gate contractors. The Board is attempting to set up meetings and will get this planning all done, but like everyone else in the valley the association is facing a construction market and labor shortage which has overwhelmed every contractor. The Board will keep Owners advised of any progress. Within the next year, the Board hopes to have installed new South gate electronic controls and have in place an electronic-access entry system which can be used or left open as the Board decides appropriate.

Some Owners have questioned whether any security is necessary in Teton Pines in the first place. There have been serious speeding incidents, serious dog incidents involving physical danger, at least one stranger harassment incident of a child riding a bike alone, and more. The guards also monitor rule compliance, construction parking, traffic blockages and compliance with architectural guideline agreements and approvals. Recognizing the deteriorating labor conditions, the Board continues to consider many different solutions over time which will give the association a reasonable combination of cost efficiencies and control over the property as necessary.

C. Common Area Diseased and Dangerous Tree Removals

The common area diseased and dangerous tree removal project, which was started last year, is continuing this Summer and should be completed by Fall.

D. Formation of Audit, Infrastructure, Landscaping, and Renovation Committees

Existing committees are: the Audit Committee, the Infrastructure Committee, the Nominating Committee (which is seasonal), the Common Area Landscaping Committee, and the Renovation Committee (which is for the North entrance). Also pending is the Review Committee for Revised Rules.

E. Revision of Construction and Community Rules

Extensive rule revisions and clarifications are proceeding slowly, delayed for many months by the higher-priority demands on the association's legal counsel for work related to the Infrastructure Project. The Board decided in its June meeting to withhold releasing piecemeal changes and, instead, release all changes at one time when they are completed. Eventually community rules will have separate sections for all governance policies and procedures; all standing committees and their purposes; rental rules; holiday decorations, limits on the Board's assessment powers without majority approval; and updated fine and enforcement policies. Significant changes will be submitted for Owner approval.

F. Speeding

The guards monitor speeding, which continues to be a problem. The speed bumps, which are more like tabletop speed humps, will be reinstalled/installed next year focusing in particular on blind corners.

G. Dog Leash Rule

A reminder to all Owners that pets, including dogs and cats, must be on a leash at all times when not on residence sites. When pets are left outside without the controlling supervision of the Owners, they need to be restrained from leaving the site by use of leashes or other devices like electronic fences. Another reminder to all Owners is the noise rule that states no Owner shall permit any disturbing noises that may interfere with the rights, comforts, and conveniences of other Owners, regardless of the time of day. Please make sure that dogs are not allowed to bark incessantly at any time, and especially at night.

H. Short Term Rentals Rule

A reminder to all Owners that both Teton Pines and Teton County do not permit rentals of less than 30 days within Teton Pines. The way it is written, people have been able to get around this rule, but the Board and legal counsel are tightening up the language so this can't continue to happen.

IX. Auditors Report

Mr. Ian Johnston, CPA with Thompson, Palmer, & Associates presented the audited financial statements for the year ending June 30, 2021. The auditors issued its unmodified clean opinion on the financial statements.

Mr. Johnston advised there are 3 items of interest the auditors study. The first thing they do is gain an understanding of the financial processes and procedures the association has in place.

Mr. Johnston reported that the Board of Directors does a good job with this. The second thing the auditors do is to perform tests over account balances. Mr. Johnston reported that bookkeeping is doing a good job. The third thing the auditors do is review all disclosures and financial statements.

Mr. Johnston reported that the financial statements accurately represent the activities of the association. The association has over \$3.1 million in total current assets due to the Infrastructure Project assessment. There is currently over \$750,000 in total fixed assets. Total current liabilities that the association has is over \$2.4 million. This is due to Infrastructure Project assessment funds not being spent yet. Long-term liabilities of the association are just over \$150,000. This is the

service building loan the association has. The association generated approximately \$2.8 million of operating cash flow in the 2020-2021 fiscal year.

X. Financial Report

Mr. Garrity presented an overview of financial developments, historical trends from 2016-2021, an operating plan overview for 2021-2022, the budget for the 2021-2022 fiscal year, and non-contract maintenance and capital expenditures.

Financial Developments from 2016-2020 included the East Ranch Subdivision Lawsuit and Resolution, Implementation of a Financial Reserve Policy where the Contingency Reserve is now fully funded at \$250,000 and the Capital Maintenance Revolving Reserve is currently funded at \$50,000, underspending budgeted expense which allowed operating cash position to strengthen, speeding control and security camera initiatives, and the retirement of Frank Christensen as President of TPOA in 2020.

Financial developments the association is currently dealing with include finding a replacement for Mr. Frank Christensen and all of the time he donated to Teton Pines, dealing with a community that is now about 30 years old which includes removing diseased and dangerous trees and the Infrastructure Project to bring natural gas and fiber to the community, and the need to better understand where Owners' preferences now are.

Historical financials over the past five years show HOA fees increasing an average of 2.8%. Revenues over the past five years showed an average increase of 3.1%. Contract fees increased on average about 1.3% and non-contract expenses increased on average about 2.1%.

The 2021-2022 operating plan was presented as follows:

The primary objectives are to assure continuation of present service levels expected by Owners, survey Owners, review and adjust association management as needed, complete the removal of dangerous trees, initial investment in common area landscaping improvements, and plan for a new North entrance configuration.

Uncertainties that affect TPOA now and in the coming years are to refine day to day administration of the association, significant cost increases and reduced availability of labor and services locally, and Owners' different preferences of both increased services and reduced costs.

Due to its primary objectives and uncertainties that affect the association, the Board of Directors felt it advisable to increase the TPOA fees by 15% this fiscal year. The HOA fees will be reevaluated based on the results of the Owner survey, review of management alternatives for TPOA in the future, review of HOA fees for other comparable HOAs in Western Wyoming, report from the landscaping and entrance committees, and the assessment of ongoing financial status.

Mr. Garrity presented the budget for the 2021-2022 fiscal year. He reported that revenues from HOA fees will be approximately \$1,396,000. Contract fees with HMG will be around \$1,009,000. Non-contract maintenance fees around \$193,000. Professional and legal fees are projected to go up to around \$50,000. The cash surplus is projected to be around \$144,000 which will be used for the service building loan, capital expenditures, and the capital maintenance reserve fund. Which leaves approximately \$31,000 in net change in cash.

XI. New Business and other Topics

A. Owner Survey

Ms. Nelson advised an Owner Survey would be going out to all Owners via SurveyMonkey, and also via MailChimp in case SurveyMonkey's email goes to some junk folders. The survey is 20 questions and takes approximately 5-10 minutes to complete. She advised all Owners to fill out survey completely and remind their neighbors to do so as well.

XII. Answers to Owners' Questions

Mr. Hill reported that six different Owners submitted questions to the Board of Directors. Most of these questions were answered during the meeting, but the ones that were not would be answered by email.

XIII. Adjournment

Mr. Hill adjourned the meeting at 2:48pm.