

# Stone Cliff Owners Association ANNUAL MEETING

March 7, 2020

## MINUTES

### **Call to Order and Welcome**

The 2020 Annual Meeting of the members of the Stone Cliff Owners Association was held Saturday, March 7, 2020 at 10:00 a.m. at the Hilton Garden Inn Mariposa Room in St. George, Utah. President Todd Clement welcomed everyone and called the meeting to order. A quorum for this meeting is those present; for informational purposes only - 79 owners signed in and 161 ballots were counted.

Todd reviewed the purpose of the meeting and announced two upcoming meetings to be held regarding the Traveller offer. A question and answer meeting on March 21 and a Special Meeting to vote on March 28, both at 10:00 a.m. at the clubhouse. Todd excused Vice-President Larry Hampshire who prepared much of the information for this meeting but was called away unexpectedly for a family emergency.

### **Business**

Secretary Carolyn Jentzer asked for a motion to dispense with the reading of the 2019 Annual Meeting minutes which was so moved, seconded, and approved. It was then moved, seconded, and approved with no opposition to approve the 2019 Annual Meeting minutes.

Mik'L Wells of F1 Property Management noted there were three board terms open for vote with the terms of Todd Clement, Larry Hampshire, and Jay Davis expiring at this meeting. LaDel Laub and Carolyn Jentzer have two years remaining on their terms, and Kason Traveller and Brian Lowe have one year remaining on their terms. Nominees Todd Clement, Jay Davis, and James Wojciehowski introduced themselves, and Mik'L explained how to submit the secret ballot. Staff from F1 Property Management and owners Karleen Maughan and Flo Mead were thanked for tallying the votes.

### **Reports**

President Todd Clement noted there are now 424 recorded lots in Stone Cliff. Approximately 314 of those are completed homes, 90 are sold lots, and 20 are developer-owned lots. Todd reviewed past achievements including the increase of the insurance umbrella from \$3 million to \$10 million, the approval and implementation of the updated Bylaws, the increase of the number of board members from 5 to 7 members, the approval and presentation of a plan by the Development Plan Committee, the formation of an Implementation Committee, changes to pool entry rules, suspension of privileges for abuse at the pools, the repair and replaster of the outdoor pool, the review time change for garbage receptacles, the clubhouse roof repair, replacement of cabana roofs, the purchase of a new riding mower, replacement of pool boilers, and replacement of the computer system to monitor security cameras. Larry Hampshire was thanked for his efforts chairing the Bylaws, Development Plan, and Implementation Committees. Carolyn Jentzer was thanked for her contribution to the monthly newsletter with the Board Bulletin. Former Social Committee Chair Flo Mead and current Chair Jody Russell were thanked as well for their time and talents. All the committee members were thanked for their participation.

It was moved, seconded, and approved to close the voting so that ballots could be tallied.

Treasurer LaDel Laub reviewed the Treasurer's Report, which was previously sent to all owners. The total assets at year end 2019 were \$1,799,621 with \$1,089,144 of that in the reserve account and \$617,532 in the new asset reserve account, which was started for new facilities. LaDel reviewed a summary of the operating statement, a reserve account forecast, and the operating surplus and reserve fund balances for 2019 through projected 2024. He noted that the reserve is about 78 percent funded now and most assets are lasting longer than the analysis shows. Funds can continue to be added to the new asset reserve without affecting dues.

Todd Clement reviewed a map showing two parcels the developer would like to make part of the additional land that can be annexed into Stone Cliff. One is a 3-acre parcel owned by the developer and one is a 2-acre parcel owned by a third party. Todd noted that Kason Traveller, who was elected to the Board by membership vote in 2018, recused himself from board action related to the Traveller offer. In 2014 about 35 acres was added to the additional land with no development plan in place. Since then a development plan was created with membership input and approval. The developer has not yet built in the 2014 annexed area. Todd reviewed the offer from the Traveller Organization that includes real property donations of lot 1621 and 11, which are sellable lots currently estimated at \$585,000. They would create a second entrance gate facility designed similar to the primary entrance, offer to convey the construction entrance to the HOA upon complete buildout and lot sales at the HOA's discretion, and donate \$50,000 towards the front entrance water feature. These items would be in exchange for adding approximately five acres to the additional land and receiving continued development rights in the CC&Rs and Rules and Regulations. Todd outlined the changes to marketing and construction, architectural review committee exemptions, and property expansion, with each of these rights being non assignable and expiring two years after the recording of the plat for the last phase.

LaDel Laub reviewed several questions and answers, thanking Larry Hampshire for his preparation and notes. The Board feels the offer is of greater value than the 2014 promises and showed the values of the promised items in comparison to the new offer. LaDel noted that the promises from the 2014 agreement start when the developer develops within the 35 acres added in 2014, which the developer has not yet started. The cost of the improvements in the current development plan have not yet been finalized and the work on this effort has been suspended until the offer is voted on. The offer would add approximately 5 acres, which will have about five homes on a 3-acre parcel. These additional homes will not affect the current sizing of the new clubhouse in the development plan as it includes about 500 homes. It is difficult to forecast the future area on the map due to the uncertainty related to the location of the nearby substation. The estimated number of new homes in the future area would be 15-20 homes assuming the same size lots. If the substation is relocated, then the number of lots could be decreased to about 10. If annexed, these homes must comply with the Stone Cliff CC&Rs. The current development plan is affordable if the offer from the Traveller Organization is approved by a majority of all owners and the pathway for this was shown. If the offer is not approved, the Traveller Organization may develop the remaining property as a stand-alone developer separate from Stone Cliff. LaDel noted the Board recommends approval of the offer as it is in the best interest of Stone Cliff and will help fund the development plan. The incremental revenue from the new lots is much greater than the cost. This offer attempts to clarify past perceived promises and future development plans. The Board feels it is a very fair and reasonable offer and negotiated with the Traveller Organization for several weeks to get to this offer, which they feel is the best possible offer and will offer substantial value to all owners. It was noted the 11 acres approved for annexation in 2014 was owned by a third party and the developer was not able to purchase the land, but if the land is developed the City will likely require access through Stone Cliff and that developer would have to negotiate with the HOA to compensate for the access. The extended declarant rights were reviewed with exact language to be sent to all owners. In summary,

the offer is of greater value than the 2014 amenities, adds about 5 acres with about 5 homes to the HOA, will provide approximately \$1,000,000 that can be used for new facilities, and is recommended by the Board for approval. The upcoming meetings were again announced.

#### **Homeowner Comments / Questions**

During open discussion, owners asked questions and made comments about using a previous template for the financial report, the statewide caucuses, large trucks on the streets, and several questions and comments on the developer's offer. Developer Kason Traveller was asked to comment, and he stated that the Travellers don't want to end Stone Cliff, they appreciate the support they have had, and asked for continued support, to which many applauded.

#### **Voting Results**

When the ballots were all submitted, the voting was closed, 161 ballots were counted, and Secretary Carolyn Jentzer certified the election results, announcing that Todd Clement, Jay Davis, and Larry Hampshire were elected for three-year terms. The votes were as follows: Todd Clement 130, Jay Davis 113, Larry Hampshire 104, James Wojciehowski 60.

#### **Adjournment**

With no further business, those present were thanked for their attendance and the meeting was adjourned at 12:00 p.m.