

Schweitzer Mountain Community Association
Annual Membership Meeting
Saturday, January 27th, 2018
Selkirk Lodge Conference Room
3:00 pm - 5:10 pm

Minutes

Opening of Meeting and Confirmation of Quorum

President Tom Chasse opened the Annual Membership Meeting at 3:00 pm. A quorum for the meeting was confirmed. Tom thanked all those in attendance.

01. Introduction of SMCA Board Members (those present at the meeting): Tom Chasse, President, Rod Engel, Vice President, Mel Bailey (non-village residential), Ben Higgs (village commercial), Eric Solantai (non-village residential), Klaus Huschke (village residential). Lori Frank (non-village residential), also a member of the Board, was unable to attend.

02. President Chasse presented the Agenda for the Annual Membership Meeting which was reviewed and accepted after adding three (3) additional items. (1) Ting Fiber Internet, presented by Kari Saccomanno, (2) Looking 10 years ahead regarding recommended Highway and Secondary Roads Projects presented by Jay Hassel, (3) An update on 'Hiking and Biking Trails at Schweitzer Mountain' by Mike Kirkpatrick.

03. Minutes of the 2017 Annual Membership Meeting (January 27th, 2017) were reviewed and approved. Mel Bailey moved to accept the Minutes, seconded by Ben Higgs. ***Motion passed.***

Robin Kamin asked that the Annual Membership Meeting's Minutes should be distributed a few days in advance of the Meeting.

04. IHD - Independent Highway District Road Projects /Transportation Plan:
The IHD has had a grant request approved by the Local Highway Technical Assistance Council (LHTAC). With the funding from this request the district has awarded a contract to JUB Engineering to develop the Transportation Plan for the main road and the secondary roads within the Schweitzer Mountain Area. JUB Engineering has provided the engineering support to the City of Sandpoint for the Schweitzer Cut-Off Round About, City of Bonners Ferry Transportation Plan, City of Worley's Plan and many others.

Jay Hassel, PE, is the Engineering Project Manager, Angie Comstock, PE is the Engineering Lead. Jay Hassel, at the SMCA Annual Membership Meeting, was introduced by Mel Bailey. Jay didn't invite only those in attendance at the Membership Meeting, but rather the general public to provide the IHD with as much input as possible regarding road and right-of-way issues that do concern the community, thus allowing JUB Engineering to generate a most comprehensive

plan (10 year plan) for all types of transportation, including proposing ideas for the use of and potential improvements for Schweitzer Mountain Roads as well as any sub roads accessing Schweitzer Mountain residential properties from Schweitzer Mountain Road. He further stressed that his mission wasn't to tell the public what the IHD is planning to do, but rather to hear from the general public what it would like to see the IHD do. The primary objective right now remains to collect as much related information /data as possible, reminding us once again that IHD's foremost mission remains to serve the public. Contact: Angie Comstock, PE in Coeur d'Alene at 208.762.8787.

Included in future projects is also the maintenance /eventually possible reconstruction of the Northwest Passage Bridge.

Dumpsters: This past year some needed clean-up work was performed around the dumpsters.

05. **Shuttle Service:** The Shuttle Service has seen a significant increase in ridership during the past 12 months.

06. **Ting Fiber Internet (Ting Fiber for Business):** Ms. Kari Saccomanno, an employee of Ting Inc., introduced Ting, Inc. to the attending SMCA membership.

Ting Inc. is a mobile virtual network operator and internet service provider that opened recently a central office in Sandpoint to cover the wider Sandpoint /Northern Idaho area. While present wintry conditions might slow the installation of Ting's network, preparations for the deployment of the system are well under way. Ting Inc, will, most likely, follow the gas pipeline of Avista, at least to a large degree. Ting's network should improve reception /size in comparison to today's system. Ting Inc. hopes to sign up to 300 and more SMCA members. 1,000 Megabytes, estimated cost per customer /month \$89.99. Ting's intent is to eventually offer also TV services for the same area. No final decision yet, however according to Kari, it is going to happen. Since Ting Inc. will maintain a central office in Sandpoint, first class service for all its users is expected.

07. **2017 Summer Events presented by Mary Weber-Quinn:**

Total SMR visits for the summer were 29,111, an increase of 24.6% over 2016 (23,362 in 2016)

Summer Celebration - 7B Sunday, June 25th, 2017

- * Bonner County Vendors were invited for no fee and with the intent of showcasing local non-profits and business
- * 3 Bonner County Bands
- * 4312 complimentary visits (4049 in 2016)
- * Fantastic weather - hot
- * Sky House was a big attraction

Northwest Wine Festival - July 14th, 15th, 2017

- * 2 day festival
- * Over 80 different wines for sampling
- * 1534 glasses sold
- * Over \$52K in wine revenue - all paid SMCA (20% increase over 2016)
- * Live music each day
- * 1624 chairlift rides over 2 days

Huckleberry Color Run - August 8th, 2017

- * Great weather - little smoky in the morning but it cleared
- * 391 people registered for the color run (up 11% from 2016)
- * Went to a format of hot dog bar and Disc Jockey for music - well received
- * Tickets included in registration - 560 riders in total

Fall Fest - September 3rd, 4th, 5th, 2017

- * New format opening Friday night to ease lines on Saturday morning and increase lodging
- * Over 29,000 beverages sold
- * Over 6,400 glasses
- * Signature event (guests plan for it)
- * Online sales continued to grow - over 1,600 glasses
- * Transportation provided on Saturday and Sunday
- * 4,260 chairlift rides
- * Over \$218,000 in beer, wine and soda sales in tent - 13% increase over 2016
- * Schweitzer Revenues (including lodging) \$429,000 (this does not include other businesses)
- * Weather was good but smoke filled the area on Sunday.
- * Monday was virtually lost to smoke.

A substantial number of guests from the Seattle /Western Washington area attended the various events.

08. Fitness Trail presented by Dani Demmons

- * The installation of the Fitness Trail /the Fitness Station has been a true success. The Fitness Station was positioned in such a way to capture views of Lake Pend' Oreille. Although the Fitness Trail has offered some interesting challenges primarily due to the special terrain, often very steep, at times too long, it has been overall a real success. More to come.
- * Village Gazebo Fire Pit - the installation of a Wooden Pergola and Fire Pit, to be located possibly in front of the White Pine Lodge, an area already paved, has been under consideration for some time. Yet a number of questions /concerns remain to be addressed, including the pricing of such an undertaking. The public is invited to share ideas with SMR /Dani. The Village Gazebo Fire Pit would be a gas-powered, not wood. It easily could become a very pleasant gathering place for SMR visitors /guests both during day and especially during evening hours. Estimated cost approx. \$20K to \$25K. If a go ahead is given, up to \$20K would come out of the reserve account /SMCA's Balance Sheet.

Eric Solantai moved, seconded by Ben Higgs, to approve the project. ***Motion passed.***

09. NIMSEF (North Idaho Mountain Sports Education Fund) and Sandpoint Nordic Club

- * The SMCA Board of Directors approved donations of \$1,000 each to NIMSEF and the Sandpoint Nordic Club. SMCA has supported both organizations in past years. Both groups have used these donations in a very productive way and to the benefit of young people /skiers.

10. Presentation by President Tom Chasse

* An uneventful year for the SMCA. Limited new construction, just two (2) new starts. The Ridge project is developing well. The village landscaping remains an ongoing challenge to keep it in the best possible condition. The Fitness Trail and Equipment /Fitness Station are a very useful enrichment at Schweitzer Mountain. Further additions to come.

* Again, 2017 was a good year for the 1% fees as winter visitations were up from the previous year. Overall spending has increased. Summer visitations continue to grow with the various events, thanks also to the bike trails and mountain top weddings.

The SMCA Board of Directors met twice during 2017, October 12th and December 5th

October 12th, 2017 Board Meeting

- * Review of Annual Membership Meeting Minutes
- * Quarter II Financials /according to 2017 budget.
- * Elected Officers: Mel Bailey moved to keep the current slate, seconded by Ben Higgs.

ACC Committee Update

- Mearns project Crystal Springs is wrapping up
- IHD camera installed at the Schweitzer Mountain Round-About
- NW Passage Bridge upgrade /maintenance - still no permanent solution
- Summer events and Fall Fest were great successes
- Fitness equipment installed and working /budget
- Future CAPX projects (village shade /furniture) under consideration

December 5th, 2017 Board Meeting:

- * Review and approval of October 12th, 2017 board meeting
- * Reviewed YTD /Q III Financials /performing according to 2017 budget
- * Reviewed and approved 2018 Operating Budget with a \$3 per share increase to off-set utility cost increases
- * Reviewed and approved charitable requests of NIMSEF and Sandpoint Nordic Club.
- * Discussed bridge project on Northwest Passage. Waiting for soil analysis and final estimate.
- * Discussed reinstatement of SMCA website - \$2K budget approved.

ACC Committee Update

- Ridge Project (roof issue /will be addressed)
- Crystal Springs (basecamp, clean up)
- Still existing old compliance deposits - those have been addressed

Other subjects:

- * Village Sandwich Boards /Banners /Temporary Signs: Discussed and approved - in process to be handled.
- * Recommended a \$500 (voluntary) membership category for all Village Realtors
- * Established Annual Meeting Date - January 27th, 2018.

Election of Directors

- Eric Solantai (non-village residential), Ben Higgs (village commercial). Klaus Huschke moved, seconded by Mel Bailey, to extend Ben Higgs' and Eric Solantai's positions as directors of the SMCA for an additional three years (2018, 2019, 2020). **Motion passed.**

Schweitzer Mountain Resort Update by President Tom Chasse

- Sky House - YTD results are more than satisfactory. The Sky House is indeed a great addition to the Schweitzer Mountain Resort.
- Tom pointed out that it is often difficult to find enough help during the summer months.
- Number of weddings, certainly also due to the Sky House, on the Mountain continue to increase.
- SMR decided not to go back to BottleBay in 2018
- Ridge Water System needs further attention /will be addressed
- Conservation Easement
- Master plan(s), Ski Operations, Real Estate
- Tom presented in some detail general ideas about further developments of Schweitzer Mountain, its Ski Operations, Real Estate challenges /opportunities for the coming years. While an outline, and we are talking indeed only about an outline, of a Master Plan in its early stages exists, changes can/ will occur due to numerous unforeseeable occurrences.
- As the number of visitors /skiers continues to increase, parking will become one additional challenge. It is already today during the main holidays. To find relief, SMR is looking at the Mid-Mountain area. The same is true for additional bathroom facilities, trails, etc. A Mid-Mountain solution would then require the installation of a new lift, possibly an additional lift from Mid-Mountain to the Village (for use by the general public, not skiers).
- Seattle Research & Marketing Efforts (East Side) with the assistance of a Marketing Company.
- Marketing efforts are under way to develop increased interest in Schweitzer Mountain in the Seattle area /the Eastern Suburbs and Cities east of Seattle. First signs of success have been seen.

- SMR will also aim at special holidays to increase Mountain activities.

11. ACC (Architectural Control Committee) presented by Mel Bailey

- Crystal Spring Project - the clean up is done, still holding a \$1K compliance deposit
- The two (2) projects in the Ridge area coming along very nicely.
- Northwest Passage Bridge - expecting input from builder. Although the retaining wall moved some four (4) inches over time, it is still firm/safe for the time being. An invited drilling company will check /test the retaining wall, then provide an estimate for possible work. Trying to get some grant money. First step, however, is to complete a thorough study of the overall job.
- Schweitzer Mountain Road - studies are under way to widen the Schweitzer Mountain Road where possible. Under consideration is the installation of more signs, especially turn-out signs, for safety reasons. Less salt content in snow/ice melting material has been used, thus helping to improve cleanliness (more salt free) of run-down water. Much appreciated by the City of Sandpoint.
- Enforced parking regulations along country roads. Owners of wrongly parked cars, if discovered by police, will be fined with a minimum of \$100.

12. Financials

- Tom Curtiss presented year-end results (December 31st, 2017), Profit & Loss Budget vs. Actual as well as SMCA's Balance Sheet.

2017 Profit & Loss Comparison:

- Like in past years, most of SMCA's Revenues derive from the 1% fee. 2017's 1% fee revenues were higher by \$16,098 than forecasted in the 2017 budget
- The highest increase in Expenses /2017 occurred for Electricity (+ \$11,646 over budget or a total of \$20,846).
- We saw increases (over budget) also for Village Landscaping and Special Events Promotion.
- Decreases for Special Projects, Solid Waste Facilities Management, Village Snow Removal and Depreciation Expense and others.

2017 Balance Sheet:

- Total Checking /Savings were higher by \$36,561 at the end of 2017 than in 2016.
- Total Accounts Receivable were lower by \$7,252 in 2017 than at the end of 2016.
- Total Assets at \$170,845 the end of 2017 vs. \$153,112 the end of 2016.

2018 Budget Forecast:

- The 2018 forecasted Budget of \$119,028 is only slightly higher than 2017 Actuals (117,872).
- Highest expenditures for 2018 will be, once again, for electricity (electric heating of sidewalks), natural gas (hydronic heating, sidewalks), ski trails throughout the community and village landscaping.
- Ben Higgs moved, seconded by Marty Gilchrist, to approve the 2018 Operating Budget as presented. **Motion passed.**

13. Hiking & Biking Trails presented by Mike Kirkpatrick

- Mike informed the audience that Schweitzer Mountain saw a first Biking Group from the Seattle area.
- New Trails to be developed, existing ones to be upgraded. Ongoing maintenance is an important safety requirement.
- Annual financial support of at least \$5K will be needed to keep the program up-to-date. Further expansions are part of the overall SMR Master Plan.

Since no further questions were asked, Mel Bailey moved, seconded by Lance Pounder to adjourn the meeting at 5:10 pm

Klaus Huschke
Secretary