

**MAY 5, 2015 MINUTES APPROVED AT JULY 7, 2015 MEETING**

**EMPIRE PASS HOME OWNERS ASSOCIATION**

**BOARD MEETING**

Meeting Minutes

May 5, 2015

1:00 pm – 2:00 pm

White Saddle Conference Room

**BOARD MEMBERS PRESENT:**

Doug Ogilvy	Talisker Mountain
Brianne Kelsey	Talisker Mountain
Cate Valiquett	Talisker Mountain
Jay Wasserman	Empire Pass Owner by phone
Jerry Huffman	Empire Pass Owner by phone

**COUNSEL:**

Doug Shumway	Vial Fotheringham by phone
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**STAFF PRESENT:**

Jessica Layton	Talisker Mountain
Trish Waterman	Talisker Mountain
Steve Sovinsky	Talisker Mountain

The meeting was called to order at 1:00 pm by Doug Ogilvy and a quorum was present with the attendees listed above.

**Item #1      Review and approval of January 30, 2015 meeting minutes**

Jerry Huffman made a motion to approve the January 30, 2015 meeting minutes, Brianne Kelsey seconded, motion carried.

**Item #2      Review and approval of April 14, 2015 Special Meeting minutes**

Jerry Huffman made a motion to approve the April 14, 2015 special meeting minutes, Cate Valiquett seconded, motion carried.

**Item #3      Management Report**

Trish Waterman presented the management report. Construction update: The Belles has 2 single family units currently under construction. The Belles has a duplex and one single family

home left to build. Banner Wood has two single family homes under construction. Red Cloud has 2 homes under construction and another that just received DRB approval. Otto-Walker is working with the owner of RC 12 on a design. Nakoma has the duplex under construction.

There have been 18 sales so far in 2015, 5 in Empire Pass and 13 at Montage.

Dial a Ride update: The 2014/2015 winter season was up in both calls and ridership, despite the weather. A total of 45,846 passengers were transferred over the winter season, which is a 2.41% increase from last season. Calls were up 6.73%, 14,101 calls received over 13, 212 last season.

The Board approved 3 additional vehicles for the first 5 days of Sundance to total 13. They did not need additional vehicles for President's week, but they did utilize extra vehicles during a spring break weekend in March.

Staff met with PCT about an addendum to the current contract, which expires in December 2016. We have redlined the addendum and will work with PCT to get that finalized.

Maintenance Update presented by Steve Sovinsky. There is reserve work required in Empire Pass that requires board review and approval.

A review of 3 bids for crack fill and a Level 2 slurry on Twisted Branch was reviewed and discussed. The board awarded the work to M&M for crack fill and slurry (\$34,632.66)

A review of 4 bids for patching on the bend of Twisted Branch was reviewed and discussed. Steve can help with the patching to reduce the price and will need to use the dump truck. The board awarded the work to Preferred Paving (\$14,999) subject to verification with UPK for using the dump truck.

The board authorized Steve to engage with Earthworks for rock repair of the section of rock that collapsed on Twisted Branch (\$5,000).

**MOTION:** Jerry Huffman made a motion to authorize entering into contracts for reserve work for crack fill and Level 2 slurry on Twisted Branch, patch work on Twisted Branch and rock wall repair on Twisted Branch all in total not to exceed \$55k, Cate Valiquett seconded, motion carried.

UDOT will roto mill Marsac Avenue from the lower roundabout up to Twisted Branch and repair concrete gutters this July. They will close mine road for 3-4 days and traffic will be detoured to Royal Street. They will also repaint snow gates.

Next board meeting will be in July, date to be determined.

## **Item #4      Financials**

Jessica Layton presented the financials.

### **Budget:**

The 2015 Empire Pass Master Owners Association operating budget includes the following:

- Total annual operations assessment revenues year to date are \$1,502,158 with \$1,383,043 budgeted
- Total revenue year to date is \$1,791,882 with \$1,687,256 budgeted
- Total operations expense year to date is \$420,978 with \$490,978 budgeted

### **Revenues:**

As of March 31st, the MOA has 38 assessments or \$212,118 open.

- Reinvestment fee revenue year to date is \$227,985 with \$150,000 budgeted. This is comprised of 2 re-sales and 10 new sales for a total of 12 closings in the 1<sup>st</sup> quarter. Reinvestment fee revenue is tracking at 152% of year to date budget.

### **Expenses:**

Total expenses year to date are \$423,363 or 86% of the year to date budget.

- Dial-A-Ride expense year to date is \$183,248 with \$181,248 budgeted.
- Professional fees/insurance year to date is \$19,476 with \$22,000 budgeted.
- Vehicles & equipment year to date is \$30,788 with \$33,000 budgeted.

### **Balance Sheet:**

As of March 31st, 2015, the Empire Pass Master Owners Association balance sheet shows:

- Assets of \$4,037,523
- Liabilities of \$653,025
- Equity of \$3,384,499
- Current balance of 3<sup>rd</sup> party debt \$7,125. This consists of 2011 GMAC HD 3500.
- Reinvestment fees due to Park City Municipal Corporation for Q1 is \$227,985.

### **Miscellaneous:**

- Auditors will be coming in May for the 2014 audit next week.

### **Collections:**

Board moved into Executive Session to discuss certain delinquent accounts.

Board returned from Executive Session.

**MOTION:** Jerry Huffman made a motion for the MOA Board to follow the recommendation from the MOA attorney, Doug Shumway, and hold off on any legal action with respect to certain delinquent accounts currently subject to a foreclosure action. Should accounts remain delinquent, the Board will consult with the MOA attorney at the end of the property owner's redemption period. Jay Wasserman seconded, motion carried.

**Item #4      Other Issues;**

Jerry asked if there has been any communication with United Park City Mines (UPK) to buy the dump truck and trailer by reducing the assessments UPK owes. Doug said he spoke to Kerry Gee from UPK and currently UPK is only willing to sell the dump truck and trailer for cash. The dump truck and trailer are a necessity for maintenance operations.

**MOTION:** Jerry made a motion to pay up to \$20,500 to buy both the dump truck and trailer, second Brianne Kelsey, motion carried.

Jay asked if there is a problem with the representative of delinquent entities being on the Board. Doug Shumway said there is no issue. However, the Board can determine to suspend their rights of amenities, which in this case does not apply since Dial-A-Ride is only “amenity” for which access could be withheld. As far as a fiduciary duty issue there is not a breach for them to continue on the Board, but non-conflicted board members should decide collections actions with respect to delinquent accounts.

Jay asked if the resolution of who is authorized to sign checks was taken to Wells Fargo. Jessica said she did take check resolution to the bank. Currently Wells Fargo cannot screen checks with one specific signer. There is an alternative service available called positive pay. Jessica would upload the check register and anything that comes through that hasn’t been uploaded would be declined. She would receive notices and have the chance to accept or deny the charges. The cost for positive pay is \$75 month.

**MOTION:** Jay Wasserman made a motion to authorize Jessica Layton to sign up for positive pay from Wells Fargo with the monthly cost of \$75, Jerry Huffman seconded, motion carried.

Relinquishment of Board Control: Doug Shumway discussed the period of Declarant control. Per the MOA CC&R’s the Declarant will maintain control until there are a minimum of 413 voting lots owned by the at-large owners. There are currently about 300 at-large owners so the Declarant must transfer title to approximately another 100 lots in order for its control to be relinquished. There have been comments from Empire Pass owners that the Declarant should not maintain control of the Board while they are delinquent on their dues, regardless of the CC&R’s. Doug Shumway said there have been circumstances in Utah where homeowners have been successful forcing a Declarant to relinquish control when the Declarant is absentee, or where they refuse to complete common area improvements, refuse to pay bills, or refuse to enforce the CC&R’s. Doug Shumway said in his opinion, UPK as the Declarant has not done anything to justify a forced turnover of control and the delinquent assessments can be dealt with as though the Declarant were an owner at-large.

Motion to adjourn by Jerry Huffman at 2:15pm, seconded by Cate Valiquett, meeting adjourned.