

JULY 7, 2015 MINUTES APPROVED AT OCTOBER 21, 2015 MEETING

EMPIRE PASS HOME OWNERS ASSOCIATION

BOARD MEETING

Meeting Minutes

July 7, 2015

9:30 am – 10:30 am

Mine Bench Conference Room

BOARD MEMBERS PRESENT:

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

OWNERS PRESENT

Stuart Bergman
Phil Rosenbaum
Jonathan & Helen Rod

STAFF PRESENT:

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

The meeting was called to order at 9:30 pm by Doug Ogilvy and a quorum was present with the attendees listed above.

Item #1 Review and approval of May 5, 2015 meeting minutes

Jerry Huffman made a motion to approve the May 5, 2015 meeting minutes, Cate Valiquett seconded, motion carried.

Item #2 Financials

Jessica Layton presented the 2015 Q2 Financials.

Budget:

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

- Total annual operations assessment revenues year to date are \$1,517,112 with \$1,383,043 budgeted.
- Total revenue year to date is \$2,034,593 with \$1,843,118 budgeted.
- Total operations expense year to date is \$760,684 with \$908,561 budgeted.

Revenues:

As of June 30th, the MOA has 26 assessments or \$159,153 open.

- Reinvestment fee revenue year to date is \$447,410 with \$300,000 budgeted. This is comprised of 7 re-sales and 15 new sales for a total of 22 closings in the 2nd Qtr. Reinvestment fee revenue is tracking at 149% of year to date budget.

Expenses:

Total expenses year to date are \$760,684 or 84% of the year to date budget.

- Dial-A-Ride expense year to date is \$357,005 with \$362,496 budgeted, 98% of total budget.
- Professional fees/Insurance year to date is \$19,476 with \$22,000 budgeted and 89% of year to date budget.
- Vehicles & equipment year to date is \$36,023 with \$54,800 budgeted and 66% of total budget.

Balance Sheet:

As of June 30th, 2015, the Empire Pass Master Owners Association balance sheet shows:

- Assets of \$3,915,009
- Liabilities of \$667,830
- Equity of \$3,250,179
- Current balance of 3rd Party Debt \$4454. This consists of 2011 GMAC HD 3500.
- Reinvestment fees due to Park City Municipal Corporation for Q1 are \$219,425.

Miscellaneous:

- Payable to Talisker is around \$40,000.
- 7 owners have been sent to collections, and 4 are on payment plans
- We have titles to all vehicles including the Equinox.

There are 26 delinquent accounts and 15 of those lots are Talisker lots. Going forward the Board suggested any owners who are on payment plans should pay interest.

Draft Presentation of the 2014 Audit by Scott Robinson and Katie Chandler

Scott Robinson and Katie Chandler from Tanner Co. presented a draft of the 2014 audit. Scott thanked Jessica Layton, the MOA accountant, for her help with the audit. Scott reviewed the audit letter and Tanner Co. is required to report there were no difficulties in reporting the audit. There were no disagreements with management and they are required to report that

Tanner Co. is independent of the Empire Pass MOA. There were some delays completing the audit tied to the Talisker reconciliation. The only deficiency reported is the segregation of duties and internal controls, which is due to the small MOA staff. Tanner Co. reported a clean opinion of the financial statements and everything is in accordance with GAAP. Scott went over highlights from the balance sheet.

A discussion ensued about the current receivership period. It was noted that the 2014 audit is not impacted by outcome of receivership. The MOA is no longer in developer subsidy and that aspect mitigates any impact of the receivership.

Exhibit A of the adjusted journal entries was reviewed. Management notified Tanner that a few corrections would be coming after they received the trial balance. One thing that was not included in the letter was a 2010 deposit for design review fees of \$20k. During 2014, the accounting department realized the notes were incorrect and the \$20k was a compliance deposit that should have been recorded as income. Management corrected that mistake in 2014 and the error was then recorded as revenue. The auditors are fine not changing the financials and leaving it as revenue, but need to add an uncorrected misstatement. Tanner is close to finalizing the audit and will prepare the letter for management to sign in about 2-3 weeks.

Item #3 Management Report

Trish Waterman presented the management report.

Construction update: The Belles has 3 single family units currently under construction. There is one duplex left to build at the Belles. Bannerwood has two single family homes under construction. Red Cloud has 2 homes under construction, one in Design Review and another that has Design Review approval, but is making changes to the home and will resubmit plans to the City and the DRB. Nakoma has a duplex under construction and they just submitted preliminary plans for Unit 7.

Dial a Ride update: An Empire Pass owner told staff about a service they use in a small resort town in Florida called Downtowner. The service allows owners to upload an app to their phone and input their location, where they are going and how many passengers. The app calculates the time to pick and sends messages to their phones when the driver has arrived. There would be many obstacles to the app working for Dial a Ride, but there were similarities between both services. Staff will continue to work with Park City Transportation and their IT department to see if different technology can be introduced to Dial a Ride to help alleviate the high volume of calls to dispatch, especially during peak winter periods.

The Dial a Ride June numbers:

- 275 calls answered, up 1.8% from 2014
- 777 passengers, up 7.9% from 2014

2nd Quarter for DAR:

- 819 calls answered, up 9.6% from Q2 2014
- 2,509 passengers, up 12.4% from Q2 2014

Staff met with Park City Transportation about an addendum to the current contract, which expires in December 2016. We have redlined the addendum and will work with Park City Transportation to finalize the addendum.

Summer is also steadily increasing in ridership and weekends are very busy. 3-4 vehicles may be needed to run on the weekends, instead of 2.

The Outpost. The Dial a Ride service currently does not service the Outpost since it was not part of the original scope of service. There have been requests from owners that are attending Club events at the Outpost to have Dial a Ride service the Outpost. The Club does not provide any transport to the Outpost. A discussion ensued and the Board agreed to having Dial a Ride service the Outpost.

The next board meeting will be in October, date to be determined.

Any other issues: Doug Ogilvy was approached by the Summit Land Conservancy (SLC) to help secure the ongoing stewardship of conserved land in Empire Pass. Upon each sale in Empire Pass there is a 1% reinvestment fee and half of that goes to PCMC. SLC provides oversight of open space and in the short term they are funded by the City operating budget and they are looking to find a long term source of funding. SLC wanted to ask the EPMOA to consider allocating part of reinvestment fees to create an endowment coming out of ½ percentage reinvestment fee received by the EPMOA and the City would also match the contribution. A discussion ensued. The Board determined to hold off on discussing this item this year and was open to discuss this next year. Owners can also make their own tax deductible contribution to the SLC.

Jay Wasserman made a motion to adjourn, Jerry Huffman seconded, meeting adjourned at 10:30am.