

OCTOBER 21, 2015 MINUTES APPROVED AT FEBRUARY 25, 2016 MEETING

EMPIRE PASS HOME OWNERS ASSOCIATION

BOARD MEETING

Meeting Minutes

October 21, 2015

9:00 am – 10:15 am

Mine Bench Conference Room

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS NOT PRESENT:

Brianne Kelsey	Talisker Mountain
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OWNERS PRESENT:

Aaron Roberts

STAFF PRESENT:

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

The meeting was called to order at 9:00 am by Doug Ogilvy and a quorum was present with the attendees listed above.

Item #1 Review and approval of July 7, 2015 meeting minutes

Jerry Huffman made a motion to approve the July 7, 2015 meeting minutes, Jay Wasserman seconded, motion carried.

Item #2 3rd Qtr 2015 Financials Review & 2016 Budget Review

Jessica Layton presented the 3rd quarter 2015 financials.

Budget:

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

- Total annual operations assessment revenues year to date is \$1,520,914 with \$1,383,043 budgeted

- Total revenue year to date is \$2,147,534 with \$1,946,631 budgeted
- Total operations expense year to date is \$1,113,994 with \$1,331,619 budgeted

REVENUES:

As of September 30th, the MOA has 20 assessments or \$137,000 open.

- Reinvestment fee revenue year to date is \$539,260 with \$400,000 budgeted. This is comprised of 11 re-sales and 16 new sales for a total of 27 closings in the 3rd Qtr. Reinvestment fee revenue is tracking at 135% of YTD budget.

EXPENSES:

Total expense year to date is \$1,113,994 or 84% of the year to date budget.

- Dial-A-Ride expense year to date is \$530,395 with \$543,744 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 \$56,360 with \$71,300 budgeted and 79% of total budget.

BALANCE SHEET:

- As of September 30th, 2015, the Empire Pass Master Owners Association balance sheet shows:
 - Assets of \$3,435,598
 - Liabilities of \$446,304
 - Equity of \$2,989,294
 - Current balance of 3rd party debt is \$1,781. This consists of the 2011 GMAC HD 3500.
 - Reinvestment fees due to Park City Municipal Corporation for Q1 is \$73,350

There is an owner that was sent to collections that only paid their 2015 annual dues to the MOA and did not pay the amount due to the collections attorney. The collection attorney is still owed \$700. Staff is asking the Board to consider splitting the \$700 with the owner, contingent the owner pays their 2016 dues by January 30th 2016.

MOTION: Cate Valiquett made a motion to split the attorney fees of \$700 contingent on the owner paying their 2016 dues by January 30th 2016, Jay Wasserman seconded, motion carried.

2016 Budget Review: The 2016 budget proposes a 10% decrease for annual dues. \$150k will be contributed to the reserve account for 2015 and the reserve account will be 99% funded. There will be \$745k in the reserve account at the end of 2015. The reserve study calls for \$150k to be allocated to equipment reserve. Doug Ogilvy suggested the MOA open up a segregated account for equipment reserve.

MOTION: Doug Ogilvy made a motion to open a segregated account at Wells Fargo and transfer the 2015 equipment reserve contribution amount of \$100k to the account. The funds

will be unrestricted funds and the intent is for the account to operate like restricted funds, Cate Valiquett seconded, motion carried.

The proposed reinvestment fee for 2016 is \$525k. The \$525k is the amount of reinvestment fees collected so far this year is a conservative estimate. We are charging all developers dues on unsold land and units. The proposed East West condo building will pay on all units when they record their final plat, which will probably be in 2018, but right now they are paying dues on the land. Overall the expenses are similar to last year. The Tuhaye HOA lease of office and yard space has reduced the amount billed to the Empire Pass MOA. The final lease documents are with Talisker for signature. The Dial a Ride budget has been increased to anticipate more vehicles running during peak weeks this winter.

There is \$135k in reserve work to be performed in 2016 mostly consisting of road work in Empire Pass.

MOTION: Jerry Huffman made a motion to approve the 2016 budget, Jay Wasserman seconded, motion carried.

Item #3 Management Report

Steve Sovinsky gave a maintenance update. We are gathering bids from 3 security companies to compare to the current security contract with Pride Security. When we have all the information we will report back to the Board. Preparation for winter is ongoing and the regular seasonal snow plow operators are returning this winter.

Trish Waterman gave a management update. Construction update: The Belles has 3 single family units currently under construction. There is a duplex left to build. Bannerwood has two single family homes under construction. Red Cloud has 3 homes under construction. Nakoma has a duplex and a single family unit under construction.

There have been 27 sales so far in 2015, 11 in Empire Pass and 16 at Montage.

Dial a Ride update: This past August & September Dial a Ride ran a test period to try texting for service. The comments were positive from those that tried texting for service. Dial a Ride will be using texting this winter and a dispatcher will be assigned exclusively to that phone to receive the texts. We are hopeful this will help take pressure off of dispatch during the busy winter.

We would like texting to be exclusive to owners since renters are not as familiar with Park City and renters are not entered into the dispatch system database. The call in number is still available for those owners who do not like to text or may have spotty cell service.

The Dial a Ride September numbers were about the same as last year:

- 198 calls answered, up 192 (3.1%) from 2014
- 578 passengers, down from 615 (6.4%) from 2014

Year to date Dial a Ride is tracking a 3.8% increase on passenger transfers overall. Year to date Dial a Ride has transferred 45,918 passengers, which is up from 44,221 YTD 2014.

For the upcoming winter and beyond Dial a Ride is going to need an additional 3 vehicles beyond what is outlined in the contract. This will allow up to 12 vehicles during peak weeks. For the calendar year 2016 additional vehicles will be needed during the Holidays, Sundance and President's week and the weekends in March. The budget line for Dial a Ride was approved to be increased to \$750k and this would ensure the service is covered for additional vehicles needed beyond the contract.

Back in 2006-2008 Dial a Ride drivers used to receive end of season bonuses from the MOA. In 2009, the Board cancelled the bonus program. While the no tipping policy is still in place, over the past few years Dial a Ride has had difficulty hiring drivers because most people want to drive airport or taxi because of the tips. This winter Dial a Ride will have up to 12 vehicles running, which will require 22 drivers to cover all of the shifts. Staff suggests re-implementing a bonus system. A discussion ensued about the amounts for the bonuses.

MOTION: Doug Ogilvy made a motion to pay \$500 each for the 3 full time summer drivers and a \$500 bonus after the busy holiday season for the full time drivers and \$500 for the full time drivers at the end of the winter season. \$250 for part time drivers will be give after the holiday season and at the end of winter. Jerry Huffman seconded, motion carried.

Item #4 Other Items:

Talisker Management Agreement Termination.

MOTION: Jay Wasserman made a motion to authorize the President of the Board to terminate the existing Talisker Management Agreement by notifying Talisker by October 31, 2015. Termination is effective as of January 1, 2016, Jerry Huffman seconded, motion carried.

New Management Agreement discussion. Jerry Huffman has been talking to Newpark about the management agreement. Newpark will be touring both properties tomorrow with Steve Sovinsky and should be submitting their bid by next week. Doug Ogilvy said time is of the essence as everything needs to be in place for the new management agreement to start January 1, 2015. Doug is submitting a proposal for the management agreement as well and is also finalizing a contract with Wells Fargo to be the asset manager. Reserve account expenditures still require either Jerry or Jay's signature.

There were no other issues. Jerry Huffman made a motion to adjourn, Cate Valiquett seconded, meeting adjourned at 10:15am.