



EMPIRE PASS HOMEOWNERS ASSOCIATION

BOARD MEETING

MEETING MINUTES

August 17, 2016 | 11 am – 12:30 pm

Newpark Hotel Conference Room

BOARD MEMBERS PRESENT:

- **Douglas Ogilvy** President | REDUS Park City, the Declarant controlled by Wells Fargo.
- **Daniel Bartok** Declarant | Wells Fargo Executive VP, oversees all foreclosed commercial real estate in the U.S.
- **David Ash** Declarant | Wells Fargo, oversees all western region foreclosed commercial real estate.
- **Jack Mueller** | Elected Empire Pass Owner
- **Jay Wasserman** | Elected Empire Pass Owner (by phone)

STAFF PRESENT:

Destination Hotels Utah staff present: Chris Eggleton, Trish Waterman, Jessica Layton, Steve Sovinsky and Dez Vargas

OWNERS PRESENT:

Roxan and Bobby Anderes, Steve Ginder, Bob Smith, Richard Westnedge, and Mike McConnell (by phone).

GUESTS PRESENT:

Scott Robinson and Katie Chandler, Auditors from Tanner Co.

Doug Ogilvy called the meeting to order at 11:05 am and a quorum was present with those listed above.

MINUTES APPROVAL

Jack Mueller had a question about the Dial-A-Ride number of passengers reported that were clarified by the board and management. Jack Mueller asked how often the road slurry seal needs to be done and that will be determined in the next reserve study to be done in Spring of 2017.

Daniel Bartok made a motion to approve the June 15, 2016 minutes, Doug Ogilvy seconded the motion. All were in favor, none opposed.

2015 AUDIT (DRAFT) PRESENTATION by TANNER:

The auditors presented draft copies of the 2015 Financial Audit Report to the board and management. The auditors are close to wrapping up the audit report and will distribute a final draft to the Board when prepared. Tanner Co is an independent third party auditing company.

Some highlights of the report are as follows:

- The Empire Pass MOA is 86% funded and is in a good financial position.
- The assessment receivable is \$153,499, which is much higher than last year.

There was further discussion on reinvestment fees. The board also discussed assessments on the Montage. The 2015 audit is not complete and the Board did not make a motion to adopt the 2015 Draft Audit.

2016 2nd QUARTER FINANCIAL UPDATE

REVENUES

- The revenue year to date is \$1,882,296, with \$1,883,629 budgeted.
- Reinvestment fees are under budget at \$312,213, with \$350,000 budgeted.
- Outstanding assessments as of June 30, 2016 is 13, compared to 26 this time last year and 19 this time in 2014. All outstanding collections were paid in July.

EXPENSES

- Total expenses year to date is \$822,254 or 84% of the year to date budget, \$976,546.
- Dial-A-Ride year to date is \$355,526, with \$382,000 budgeted.

BUDGET

- The board will review the 2017 budget draft at the next board meeting.
- The 2017 budget will be sent to all owners by November 1, 2016. Assessments for 2017 will be mailed to all owners on December 1, 2016 and are due January 1, 2017.

RESERVES

- As of June 30, 2016, the reserve fund balance is \$755,829.

MOTION: Doug Ogilvy made a motion to transfer \$125,000 from the operating account to the reserve fund account to make up for the 16% deficit in the reserve funds in 2015. Jack Mueller seconded the motion. All were in favor.

PAYROLL

There were questions about payroll. The board and management discussed staff time allocations, payroll budget and management fees.

MANAGEMENT REPORT:

CONSTRUCTION UPDATE

- There are 356 constructed units and 8 single family/townhomes and 1 condo building under construction.

PROPERTY MAINTENANCE AND IMPROVEMENTS

- The board executed a unanimous written consent approval for Red Cloud Trail overlay road repair.

- Rock veneer on light posts in Red Cloud will be completed by the end of the month.
- The rock wall on Twisted Branch has been completed.

The management seeks discussion on the rock wall repairs to skier bridges at Empire Club & Marsac Ave. Repairs are currently being done, but the issue of decorative rocks separating from the infrastructure could become a major issue. The MOA has a bid from Earthworks Landscaping for immediate remedy. There were concerns this may be a matter of faulty construction on the part of the former developer. The board and the management discussed the options and solutions.

The board recommended the following actions:

- Explore the current MOA insurance policy
- Seek and coordinate with the original contractor
- Review the situation and take necessary measures as deemed appropriate.

DIAL-A-RIDE

The management presented a summary of the recent Dial-A-Ride survey results. Some background information about the program, including the financial budget were discussed. Some of the highlights of the survey results are as follows:

- There were 69 responses, which represents 21% of all the recipients.
- 94% of the responders used the Dial-A-Ride service in the past 12 months.
- Survey shows mostly positive feedback for the program, with the exception of wait times during peak periods.

The board discussed the impact of the Dial-A-Ride program to the MOA expenses and dues. The inclusion of renters to the program and the current service area and times of operation were also discussed.

The Board's recommendations are as follows:

- Manager to negotiate a one year contract with the current transportation company.
- Management to explore options to reduce the service area, specifically, during the peak season.
- A home owner task force sub-committee will be formed this winter to discuss the Dial a Rider program.

MOTION: Doug Ogilvy made a motion to appoint Jack Mueller and Jay Wasserman to the task force, Daniel Bartok seconded, motion carried.

OTHER ITEMS:

Jack Mueller requested to add the Investment Policy to the agenda for the next board meeting.

ADJOURN

Daniel Bartok made a motion to adjourn the meeting. Everyone was in favor. Meeting adjourned at 12:50 pm.