

EMPIRE PASS HOMEOWNERS ASSOCIATION

BOARD MEETING

MEETING MINUTES

October 19, 2016 | 10:30 am – 12:00 pm

White Saddle Office

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:

Helga Pralle representative and Greg Stevens by phone

Chris Eggleton called the meeting to order at 10:35 am and a quorum was present with those listed above.

MINUTES APPROVAL

Daniel Bartok made a motion to approve the minutes, Jack Mueller seconded the motion. All were in favor, none opposed.

2016 3rd QUARTER FINANCIAL UPDATE

REVENUES

- As of September 30, 2016 there are 5 outstanding assessments, totaling \$ 16,548. There are 4 units currently under collection.
- Revenues are 91% of budget.
- Assessment revenue is slightly down at 96% of budget. REDUS and Montage were billed incorrectly for 2016 and the association is in the process of issuing refunds.
- Reinvestment fees are \$341,838, which is 73% of the \$470,000 budgeted.

EXPENSES

- Total expenses year to date are \$1,195,334 or 87% of the year to date budget, \$1,378,294.
- Net Income is \$633,048, with \$629,535 budgeted.
- Cash flow is good and the MOA is in good shape.

BUDGET

- For 2017 the EPMOA is proposing a dues decrease by 7%. This is the 3rd year in a row that dues will be decreased. The board recommended a highlighted announcement to the homeowners.
- For 2017, 10% in both for reserve fund and equipment reserve fund have been budgeted.
- The board would like to see separate bank accounts for reserve funds and equipment funds. Staff is working with Wells Fargo to set up the accounts.
- Reinvestment fees is budgeted at \$500,000.
- Expenses are going down. Admin expenses are going down a bit at \$79,000, compare to last year's \$89,000.
- Rent for the office is under Office Expenses.

A discussion ensued of how the dues breakdown per product type were generated. Currently there are four product types in the community: Single homes, Condo units, Townhomes and PUD. The Board discussed the different fixed and varying factors that make up the association dues and the different percentages being paid by owners based on each type of product. The board asked the MOA accountant to generate percentages of each unit type assessments to represent total revenue and another report showing percentages based on square footage.

The Board discussed Design Review Fees expenses and revenue. The Design Review fees and time tracking were discussed. The Board decided to decrease the DRB budget fees by \$12,000 and increased contingency by \$12,000 for the 2017 proposed budget.

Daniel Bartok made a motion to adopt the 2017 Budget with the modifications to the DRB fees and Contingency. Jack Mueller seconded the motion. All were in favor.

MANAGEMENT REPORT:

CONSTRUCTION UPDATE

- There are 7 units plus the condo buildings under construction. There are 281 units sold. The Design Review Board estimates a single family Red Cloud application.

- Red Cloud has 2 homes under construction, Nakoma had the duplex and single family unit under construction. East West has their condo building under construction. The Belles has the remaining duplex under construction.

PROPERTY MAINTENANCE AND IMPROVEMENTS

- Red Cloud Trail overlay road repair is completed.
- Rockwall on Twisted Branch is completed.
- Rock veneers on light posts in Red cloud is completed.
- Rockwall repairs to skier bridges at Empire Club & State Road 224 are complete. The damage was not as bad as originally reported. The damage was due to erosion and the cost to repair was \$6k. All bridges have been inspected and no other repairs are necessary.
- Maintenance crews have been busy removing dead trees.

DIAL-A-RIDE

The Board discussed engaging a 3rd party transportation company to evaluate the Dial-A-Ride system operations, technology and fees. The estimated cost for a 3rd party evaluation would be around \$20K to study the system operations. Management will continue to review the current contract with Park City Transportation to finalize a one year extension. Management emphasized the challenge of not having a competitive transportation market in Park City and finding a company with mountain experience. The board looked deeper into the scope of services that the transportation company should be able to provide, hours of operation, cost reduction and areas of services.

Based on the Park City Transportation summary report, they will honor last year contract's price. There was a negotiation between HOA and PC Transportation to have more buses during the holiday. The management is seeking an approval from the board to give bonuses to the DAR drivers, \$500 for full time and \$250 for part time employees. The board approved a \$1500 budget payable ASAP as Year End bonuses to the drivers. There was a discussion about the current system on surveys. Management is seeking better technology system that would provide more explicit data and better information.

The board decided to leave the DAR services as is and continue working with PC Transportation, but move forward with the study with another vendor. The members will be notified about the study. There will be no changes in the service areas. HOA still have the authority to negotiate for more busses during peak season. The result of the study will be presented at the next MOA Annual meeting by the end of March.

ADJOURN

Doug Ogilvy made a motion to adjourn the meeting. Everyone was in favor. Meeting adjourned at 12:00pm.