

EMPIRE PASS HOMEOWNERS ASSOCIATION

BOARD MEETING

MEETING MINUTES

February 16, 2017 | 11:00 am – 12:30 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:**

Sue Mueller and Bill Fiveash

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

**MINUTES APPROVAL**

Daniel Bartok made a motion to approve the October 19, 2016 Board meeting minutes, Jack Mueller seconded the motion, all were in favor.

**2016 4<sup>th</sup> QUARTER FINANCIAL UPDATE**

**REVENUES**

- Total revenue is \$2,008,473 at 97% of budget.
- Assessment revenue is short by \$57,325, due to three outstanding assessments from last year that are in collections.
- Maintenance service income is over budget due to the change in the 5-year contract with UDOT. They are now billed on an hourly basis rather than a flat rate.

**EXPENSES**

- Total expenses for 2016 is \$1,686,934, 88% of the budgeted \$1,919,479.

- Vehicle & equipment is over-budget due to the purchase of a new transmission for one of the Unimogs.
- Road expense is over budget mostly for the purchase of salt in December.
- Maintenance facility - \$55,000 is for the rent at the Mine Bench and the rest is for utilities. There was further discussion on the costs of renting the facility.

## **NET INCOME**

Overall, net income is \$321,538, 214% of the budgeted \$150,000.

## **BALANCE SHEET**

Capital Reserve Fund at the end of the year is \$745,570, 97% of the recommended balance.

## **RESERVE STUDY**

A new study will be done this year. The objective is to put \$150K into the 2017 equipment reserve fund. There was further discussion on fund allocation, annual budgeting and equipment maintenance. Doug made a motion to engage Complex Solution to perform a Level 1 reserve study, David seconded the motion, all were in favor.

Doug made a motion to transfer \$200K from the operation account to the equipment reserve fund. Jack seconded the motion, all were in favor.

## **BUDGET**

The Board suggested staff provide information on potential costs and savings for repairs of the Mine Bench building plus any long term solutions before the next budget meeting in the fall.

## **APPOINTMENT OF AUDITOR**

Staff asked the Board for execution of the engagement letter from Tanner LLC to perform the 2016 Empire Pass MOA Financial Audit. Dan made a motion to approve engaging Tanner LLC for another year provided that management will get bids from other accounting firms for the next year. Jack seconded the motion, all were in favor.

## **INVESTMENT STRATEGY DISCUSSION – MOA FUNDING**

Interest rates have been moving and the Board has researched a conservative approach to invest a portion of MOA funds. The board agreed to be conservative with the investment. At year end Empire Pass MOA held ~\$2.27M in the reserve fund and ~\$745k in the operating fund. Doug made a motion to open two CD Ladder accounts with Wells Fargo and transfer \$500K from the reserve fund with maturity of 9-36 months into one account, and \$1.5M from the operating account with the same maturity into the other. Jay seconded the motion, Jack was in favor. Dan and Dave abstained.

## **OTHERS**

The board and the One Empire Pass Developer representative discussed some financial matters on the 27 platted units that are subject to the EMPOA annual assessment.

## **MANAGEMENT REPORT:**

### **CONSTRUCTION UPDATE**

- The Belles has the remaining duplex under construction.
- Red Cloud has 2 homes under construction.
- East West has their condo building under construction.
- Another plan submittal for a condo building and a Red Cloud single family home is anticipated this year.

### **PROPERTY MAINTENANCE AND IMPROVEMENTS**

Empire Pass received over 160 inches of snow in the month of January alone. The management and the Board both acknowledged the amazing job by Steve Sovinsky and his team.

### **MANAGER'S UPDATE**

- Empire Pass MOA Annual Meeting will be held on March 16, at 4:40 pm, at the Montage. An annual report is being prepared for distribution to all owners prior to the meeting.
- Holiday lighting is permitted through March 31.
- For 2016, there were 24 sales and 1 land parcel sale.

### **DIAL-A-RIDE**

2016 Year in Review: Transported 60,999 people in 2016. Another record set on January 23, 2016 when they transported 1,025 people in one day. March continues to be the busiest month of year and 13,933 passengers were serviced. Dispatch answered 16,000 calls, 425 were text messages.

The Dial-A-Ride year contract extension with All Resort Group was executed on December 3, 2016. The Board asked management to provide bids for a third party consultant company to evaluate the current contract and service.

### **NEW BUSINESS**

- East West Partners is requesting the Board to re-assess their position on the Design Review Board after the departure of John Calhoun. East West Partners would like to assign Erik de Bruijn to the DRB.
- The Historic Preservation Committee is requesting an easement from the Empire Pass MOA to access the Ore Band Mine through Twisted Branch Road. It was determined at

this point in time the EPMOA Board does not have the authority to grant them an access easement.

#### **EXECUTIVE SESSION**

The Board adjourned to Executive Session at 12:45 pm. The Board discussed the Destination Hotels Utah contract and some legal matters.

#### **ADJOURN**

Doug Ogilvy made a motion to adjourn the meeting, everyone was in favor. Meeting adjourned at 12:53pm.