

EMPIRE PASS MASTER OWNERS ASSOCIATION

Q1 2023 Board Meeting Minutes

May 9, 2023

10:00AM to 10:30AM

EMPIRE PASS MOA BOARD MEMBERS:

Doug Ogilvy | President – In Person

Jeff Butterworth | Storied Living DV – In Person

Lisa Reynolds | Storied Living – Present by Phone

David Ash | Wells Fargo – Present by Phone

Dave Pottruck | Homeowner Representative – Present by Phone

Jay Wasserman | Homeowner Representative – Present by Phone

HOMEOWNERS BY PHONE: There were approximately 7 owners on the call

STAFF PRESENT:

Trish Waterman, Jessica Layton, Steve Sovinsky, Steve Mair and Tonya Farnsworth

MEETING CALLED TO ORDER:

Doug Ogilvy called the meeting to order at 10:04AM

REVIEW AND APPROVAL OF THE MARCH 7, 2023 BOARD MEETING MINUTES:

Dave Pottruck made a motion to approve the meeting minutes, David Ash seconded, and the motion was carried.

REVIEW AND APPROVAL OF THE MARCH 23, 2023 ANNUAL MEETING NOTES:

Jeff made a motion to approve the annual meeting notes, Dave Pottruck seconded, and the motion was carried.

Q1 2023 FINANCIAL REPORT:

- Q1 Revenue is \$1.34M compared to \$1.45M budgeted.
 - YTD Reinvestment fees are \$221K, compared to \$225K budgeted.
 - The timing of the maintenance service income did not match the forecast. Some revenues were received Q4-22 and other revenues will be received later this year.
- Q1 Expenses are \$1,020,579, compared to \$889,608 budgeted.
 - Admin expenses are over budget by \$18K. merchant fees are higher and more people paid by credit card. Liability insurance rates have increased.
 - Vehicle insurance is over budget also due to rising rates.
 - Downtowner is under budget \$16K.
 - Fuel is over budget \$24K, due to snowplow usage related to record amounts of snow this winter.
 - Payroll is over budget by \$63K related to extra hours and overtime for snow removal.
 - Road expenses are over budget \$51K due to large volumes of road salt required this past winter.
 - All other expenses are at or under budget.
- YTD Net Revenue is \$325K, compared to \$561K budgeted.
- EPMOA has experienced substantial surpluses in recent years. With \$4.5 M cash on hand, the modest shortfall given the weather this winter is easily absorbed and EPMOA remains in a very strong financial position.
- We will be updating the equipment and reserve studies this summer. We anticipate the percentage

funded to go down based on current and future costs of equipment and reserve projects.

The 2022 audit is complete. Jeff made a motion to approve the 2022 Audited Financials, Dave Pottruck seconded, and the motion was carried.

CONSTRUCTION UPDATE:

1. At the time of this report, there are 410 EPMOA units sold. There are 496 total units sold, which includes the Montage and 5 Moonshadow Merchant builder lots.
2. Red Cloud has 5 homes under construction. There are another 5-6 homes anticipated to start this spring. Nakoma has 2 homes under construction with the last Nakoma unit anticipated starting this year. Bannerwood has 1 home anticipated to start this year. Moonshadow has 2 homes under construction, and we anticipate another 2-3 starting this year. Sommet Blanc Condominium project will be starting this spring.
3. Tipping sites: The MOA met with the Red Cloud HOA and dirt from Empire Pass will be exported to the hairpin tipping site on Twisted Branch. Excavation dirt from Red Cloud lots will go to the Trump tipping site in Red Cloud.
4. HOA Maintenance is in need of a new utility flat-bed truck. The truck will be used for summer projects and winter plowing for the more narrow roads in Empire Pass. The cost of a new truck is \$150K. Jeff made a motion to approve the new truck, Dave seconded, and the motion was carried.

MANAGEMENT REPORT:

1. Empire Express: Q1 2023 Stats
 - Passengers: 53,930 (52,888 in 2022)
 - Rides: 17,863 (17,180 in 2022)
 - Average Wait Time: 11.5 minutes (9 minutes 2022)
 - Average rating at 4.95 stars out of 5 (4.96 in 2022)
2. The Empire Express shoulder season started April 17th and the hours are now 8:00AM to 10:00PM until mid- June.
3. Friendly reminder that the service is only for owners and their guests staying with them in Empire Pass. Please do not give out the app to family and friends not staying in Empire Pass.
4. Huge thanks to the EP plowing crews. This winter was vicious and the crews kept up with the massive amounts of snow. Also with all of that snow, the mine road was only closed twice this entire winter.
5. Maintenance crews noticed there are 3 fire hydrants that will require an extension collar to raise them to allow room for shoveling snow.
6. When conditions allow, maintenance will begin cleanup of Empire Pass and get ready for the summer.
7. There are No Parking/Tow Area signs around the Tower Club and along Empire Club Drive east. The road shoulder parking on that street is very dangerous and the No Parking will be enforced indefinitely.
8. 2022 Year End Sales: 23 resales and 32 original sales. 2023 Year to Date Sales: 10 resales and 3 original sales.

NEW BUSINESS:

The salt shed roof at the Ontario Mine Bench failed due to the massive amount of snow and needs to be

replaced. The cost of a new larger pre-fab steel building is approximately \$200K. The application is on the June 28th planning commission agenda. The planning department has not expressed any issues with the building. In order to make sure the building is ready for winter, the Board is requesting the payment for the steel be paid in advance of the planning commission meeting. The steel would then be delivered late October. Jeff made a motion to pay for the steel in advance, David seconded, motion carried.

ADJOURNMENT: Dave made a motion to adjourn, Jeff seconded, and the meeting was adjourned at 10:31AM.