

**EMPIRE PASS MASTER OWNERS  
ASSOCIATION**

Q2 & Q3 2023 Board Meeting

Minutes

October 25, 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 – Not Present

Jay Wasserman | Homeowner Representative – Present by Phone

**HOMEOWNERS BY PHONE:** There were approximately 6 owners on the call.

**STAFF PRESENT:**

Trish Waterman, Jessica Layton, Steve Sovinsky, Steve Mair, Tonya Farnsworth, Codiann Lance and Alexis Grant

**MEETING CALLED TO ORDER:**

Doug Ogilvy called the meeting to order at 10:05AM

**REVIEW AND APPROVAL OF THE MAY 9, 2023 BOARD MEETING MINUTES:**

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

**Q3 2023 FINANCIAL REPORT:**

- Q3 Revenue is \$2.27 M compared to \$2.04M budgeted.
  - YTD Reinvestment fees are \$955K, compared to \$675K budgeted.
- Q3 Expenses are \$2,063,589, compared to \$1,878,139 budgeted, over budget by \$184K.
  - Admin expenses are over budget by \$3K, merchant fees are higher, more people paid by credit card. Liability insurance rate increases.
  - Vehicle insurance is over budget due to rising rates and higher vehicle values.
  - Downtowner is under budget \$35K.
  - Vehicles and Equipment is over budget due to higher costs and last winters snow. Higher backhoe rent, unexpected blower repairs, and unexpected Mog repairs.
  - Fuel is over budget \$21K, related to record amounts of snow.
  - Repairs and Maintenance is over budget by \$22K, we replaced four streetlights that were falling apart.

- Payroll is over budget by \$106K related to extra hours and overtime for snow removal.
- Road expenses are over budget \$88K due to road salt, outside contractors for snow hauling, outside contractor plowing Moon Shadow, hydrant extensions not budgeted and temporary repairs to salt shed that collapsed.
- DRB and Tipping site expenses are under budget.
- All other expenses are at or under budget.
- Overall YTD expenditures are \$185K over budget.
- YTD Net Revenue is \$210K compared to \$163K budgeted.
- The updated Reserve Studies should be ready for review in the next few weeks.

#### **2024 BUDGET REVIEW AND APPROVAL:**

- Dues have been decreasing since 2014. With no new developer inventory, there is a decrease in reinvestment fee revenue and an increase in costs. The proposed increase is 20%, which is similar to what was assessed back in 2020. The Board thought the owners should pay their own credit card fees, instead of the EPMOA increasing dues to cover the cost.
- The Board discussed and were all in favor increasing the assessment to 23% and offer a 3% discount only if the 2024 dues are paid by cash or ACH by January 31, 2023. All payments received after January 31<sup>st</sup> will have the 23% increase.
- \$100K to the reserve fund.
- Budgeted Reinvestment fees are \$1M.
- Overall admin expenses increase \$16K. This is merchant fees for online payment option and increased cost for audit.
- Insurance is up \$27K. This is related to higher vehicle values and rates and premium increases for liability insurance.
- Empire Express increased \$132K, due to new vehicles, higher fuel prices and higher wages.
- Fuel is increasing \$10K to cover higher fuel prices, and cushion for higher snow fall.
- Security is increasing \$41K. This is to cover higher fuel costs, wage increases, but mostly because it was under budget in 2023. There was a larger allocation to Tuhaye, this year there is a 50/50 allocation.
- Payroll is up \$55K, to cover COLA and a new Full Time seasonal snowplow employee.
- Tipping site expenses were reduced \$50K.

- Depreciation increased \$45K, which is an estimated increase to cover new loader and new salt shed.
- Overall operating expenses increased \$220K.
- Budgeted deficit \$386K.

Jay made a motion to approve the 2024 Budget with an increase in dues assessments of 23% and offer a 3% discount if the 2024 dues are paid by cash or ACH by January 31, 2023. All payments after January 31, 2024, will be assessed the 23% increase amount. Jeff seconded, motion carried.

### **CONSTRUCTION UPDATE:**

1. At the time of this report, there are 411 EPMOA units sold. There are 497 total units sold, which includes the 81 Montage units and 5 Moonshadow merchant builder lots.
2. Red Cloud has 5 homes under construction. There are another 2-3 homes anticipated to still be built in the future. Nakoma has 2 homes under construction. Moonshadow has 4 homes under construction. Sommet Blanc condominium project anticipates pulling the building permit in November, 2023.
3. Red Cloud construction excavation tipping is finished for the season as Deer Valley starts preparing for this winter season.
4. Shooting Star condominium is currently starting to replace their roof. They wanted to start this summer, but have been delayed from insurance claims. Apparently, they suffered a lot of water damage from last winter. They hope to be done in 45 days.

### **MANAGEMENT & MAINTENANCE UPDATE**

1. Staff is seeking approval of the Empire Express 1 year contract extension. Jeff made a motion to approve the 1 year Empire Express contract extension, Lisa seconded, motion carried.
2. Empire Express: Q3 2023 Stats
  - Passengers: 13,621 (16,688 in 2022)
  - Rides: 4,627 (4,911 in 2022)
  - Average Wait Time: 9 minutes (9 minutes 2022)
  - Average rating at 4.97 stars out of 5 (4.96 in 2022)

3. The Empire Express shoulder season hours are 8am to 10pm until mid December.
4. UDOT repaved Marsac Avenue over the summer.
5. Maintenance crews continued to remove dead tress around the mountain, clean drain boxes, and fire hydrant maintenance.
6. There was a Level II slurry seal on Ruby Hollow and Red Cloud Trail.
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. 2023 Year to Date Sales: 28 resales and 3 original sales.
9. The new salt bin building at the mine bench is progressing before winter arrives. They are framing the building this week. Salt bin will be complete well before the onslaught of winter.

#### **NEW BUSINESS**

Doug Ogilvy discussed that REDUS will be annexing four potential development parcels into EPMOA. These parcels are on Marsac Avenue and Twisted Branch Road. While these parcels are not currently entitled, REDUS is in discussion with City regarding entitling them for a small number of single family homes in exchange for community benefits. Annexing the properties into EPMOA ensures that EPMOA will receive assessments and reinvestment fees should the parcels receive entitlements.

#### **OTHER**

A question about when the EPMOA will be turned over to owners will take place. There are two merchant homes under construction in Moonshadow that when closed will meet the turnover number. This will most likely be Q3/Q4 of 2024. The EPMOA will start outlining the steps for turnover in accordance with the CC&R's and Bylaws.

#### **ADJOURN**

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