

Approved
November 15, 2016
as presented

PINE MEADOW RANCH OWNERS ASSOCIATION
ANNUAL MEETING
SONS OF UTAH PIONEER HALL
3301 EAST 2920 SOUTH
SALT LAKE CITY, UT
NOVEMBER 17, 2015

In Attendance: Tony Tyler, President; Dan Heath, Vice President; Honey Parker, Secretary; Matt Brown, (Area 1); Jeremy Jespersen (Area 2); Alan Powell (Area 3); Tom Deaver (Area 4); Mike Gonzales (Area 6); Tom LeCheminant (Area 7)

Excused: Pat Kreis, Treasurer; Mark Hogdson (Area 5)

Ex-Officio: Jody Robinson, Ranch Manager; Carol Steedman, KGC Associates

Tony Tyler called the meeting to order at 6:37 p.m.

Mr. Tyler thanked everyone for coming and presented the agenda items for discussion this evening. There would be an open forum at the end to give everyone the opportunity to ask questions or make comments. Mr. Tyler indicated the Board positions that were up for election this year.

Board Member Introductions

Mr. Tyler introduced the Board Members. He noted that Carol Steedman with KGC Associates handles administrative responsibilities and the operations of the Ranch. He also introduced Jody Robinson, the Ranch Manager.

Mr. Tyler presented a slide outlining the areas of HOA responsibility, which included the infrastructure maintenance inside the Ranch, as well as the roads leading to the Ranch, such as Forest Meadow Road, Tollgate Canyon Road and other ancillary collectors. He reported that they now have a new emergency exit that goes out A-Plat and down Silver Creek. He explained that the exit is not maintained by the HOA and its only purpose is for an emergency exit.

Mr. Tyler stated that the work includes grading and resurfacing roads, applying magnesium chloride, adding new road base material, reconstruction of roads as necessary, drainage ditches, snow removal, and anything else required to make the roads safe and passable. Mr. Tyler intended to talk about additional projects later in the meeting.

Mr. Tyler noted that there was approximately 32 miles of road within the Ranch boundary. They rely on the Area reps and the membership to point out areas that need additional work. Mr. Tyler pointed to the category of drainages, bar ditches and roadway culverts, and noted he receives five or six calls every year from owners telling him that water is

running over their driveway and taking out the road base. He explained that each homeowner is responsible for maintaining the culvert that is in between the road and their driveway. It is not an HOA responsibility.

Mr. Tyler stated that the Ranch operates by the Protective Covenants and the Rules and Regulations, which are the formative documents for the HOA. It allows the Board to review and approve construction within the Ranch through the architectural review and design process. These documents are continually updated to reflect the goals and objectives of the Ranch membership. It also allows for the collection of assessments and impact fees; and in some situations it also allows the HOA to lien properties to enforce payment. Mr. Tyler stated that the general goal is to enforce compliance with all of the Protective Covenants and Guidelines to make sure there is no variation in terms of what people are doing and building on the Ranch.

Mr. Tyler pointed out issues that are not the responsibility of the HOA. He noted that the Board gets a constant barrage of questions and complaints about off-leash dogs, cats and other concerns related to pets. He stated that pet issues are handled by Summit County and people should contact the County if they are complaints. Mr. Tyler stated that in terms of Code enforcement regarding building practices and building permits, the HOA will review a design for compliance with the Architectural Guidelines, but anything related to the construction process is handled by Summit County.

Mr. Tyler stated that the purpose is to preserve the quality of life on the Ranch property. The PMRHOA is committed to protect the health, safety and welfare of the lot owners.

Approval of 2014 Annual Meeting Minutes

MOTION: Honey Parker moved to APPROVE the 2014 Annual Meeting Minutes as written. Dan Heath seconded the motion.

Mr. Tyler asked the members to mark on their voting card whether they were in favor of the motion to approve the minutes or against it.

UPS

Mr. Tyler noted that a gentleman from UPS was present to talk to the members about the ability to put a box at the lower Ranch exit where Tollgate residents could have parcels delivered.

Dan Heath introduced Kendall Payne, with UPS. He noted UPS has worked with other communities to place a box for parcel delivery. Mr. Heath noted that it was very preliminary and they had not yet worked out the details of size or accessing packages.

Mr. Payne was prepared to answer questions from the membership. Mr. Heath stated that he had put something on Facebook and 70 people responded favorably. No one responded against the idea.

Bill Groot, Lot 70, wanted to know who would purchase, install and maintain the box. Mr. Payne replied that UPS would build a box. He noted that the Rockport Estates HOA took it upon themselves to build a shed and put it on their property for UPS to use. The members pay to help maintain it. However, in this case for Pine Meadow, UPS would fabricate and install a steel box at the bottom. The initial picture was a 4' x 4' x 6' box, but it could be larger. Mr. Payne stated that UPS would maintain the box.

Mr. Groot asked about liability. If everyone has access to the box and someone takes packages that do not belong to them, would the offended party be able to file an insurance claim or is UPS responsible. Mr. Payne stated that this is always a concern in every situation; however, this was a new process for him and he was not prepared to fully answer the question. He explained that the box would be secured in a manner that only a resident would have access. Currently, when they deliver a package to Tollgate, they notify the owner where the package was left. They would use the same process. The resident would be notified that they had a package in the box and they would be given the current code to open the box. Mr. Payne stated that ideally the box should have a keypad so the code can be changed regularly. He believed that would help alleviate some of the concern about stolen packages. On a larger scale of someone breaking into the box and stealing packages, Mr. Payne needed to research more information before answering the question.

Bob Burdette, Lot SS-144-H, stated that if the box holds ten packages and UPS has 11 packages to deliver, he wanted to know what would happen with the 11th package. Mr. Payne stated that this was the reason for making sure the size of the box is adequate. Instead of the 4' x 4' x 6' box, he would recommend 6' x 8' or 4' x 8'. Mr. Payne remarked that if there were too many packages in a shipment to fit into the box, or if a package is too large to fit in the box, UPS would call and make other arrangements. Mr. Payne emphasized that the resident should make sure there is a phone number on their package.

Mr. Payne noted that UPS could also pick up packages from the box for those sending something out.

Mike Gonzales, Area 6 rep., understood that the security and access details have not been worked out. He personally wanted to hear solid answers for security, access and liability aspects before making a decision. Mr. Gonzales thought it would be helpful to know how access to the box is controlled to reasonably protect the contents; and whether or not you could file a claim if a package was stolen. Mr. Payne pointed out that the box

would not be installed without a way to secure it. Mr. Gonzales clarified that he wanted details, such as how the access code would be changed. Mr. Payne stated that he was still working on that with the engineering people who would build the box. He remarked that UPS would change the code, and when they contact a resident to let them know that they have a package they would also give the access code. Mr. Payne stated that he would be sharing the details with Mr. Heath as they move forward. He believed the box would be a good system for both the residents and UPS.

Mr. Powell assumed the liability would be the same as leaving a package on someone's front porch. Mr. Payne believed that would be true. He also thought the chances of having a package stolen off a porch was greater than stealing a package out of the box.

A member asked if the proposed site for the box was where the mailboxes are currently located. Mr. Payne replied that they have talked about that location because there is a flat space off to the left side.

Ms. Cronje, Lot PI-D-90, stated that the current service has been very inconsistent for a package being delivered to Tollgate. There are times when a package is sent back to Salt Lake and she has to go pick it up. She has tried to change the delivery to her work address and that has been difficult. She requested consistent service to Tollgate. A member commented on a My Choice website to access where they can change their address for receiving packages. Ms. Payne stated that if they decide to use the box and a package requires a signature, the resident could sign for the package electronically on the My Choice site.

Mr. Payne responded to the request for consistent delivery and he understood the concern. They have three different drivers and depending on the daily dispatch and volume of packages for the area, it is difficult to maintain consistency. That was another reason why he believed a box for all Tollgate packages would be more efficient.

Board Elections and Introduction of Candidates.

Mr. Tyler reported that he was up for re-election this year. He enjoys working with the Board and he takes pride in his role. He is a full-time resident and he and his wife could not imagine a better place to live. Mr. Tyler believes the dirt roads are part of the character of the mountain and he has no desire to improve the roads to make them more like Pinebrook. Mr. Tyler stated that his goal and objective is to keep moving in the same direction they were going. They are seeing good participation from the membership in terms of Board members, as well as individual members stepping up on individual projects. Mr. Tyler appreciated the opportunity to work for the HOA and if they would like him to continue he would like their vote.

Mr. Tyler stated that Honey Parker and Mike Olsen were candidates for secretary. Ms. Parker was the incumbent running for re-election.

Honey Parker stated that she was completing her first term as Secretary. Like Mr. Tyler she has enjoyed her time on the Board. It has been nice to see Board members with different opinions work together to come up with a solution that most benefits the area. Ms. Parker stated that her focus has been on safety, fiscal responsibility and communication. She built the current website and works to keep it updated. Ms. Parker would be happy to serve on the Board for another term. The Ranch is a great area and she likes to do whatever she can to keep it moving forward intelligently and not like Pinebrook.

Mike Olsen stated that he has had the opportunity to talk with a number owners this past year. When he and his wife first moved to the Ranch he ran against Tom LeCheminant; but in hindsight he probably did not have the right to run because at that time he did not know all the ins and outs of the Ranch. However, over the past year he has come to know and love most of the people. Mr. Olsen stated that he has been working with Summit County trying to get his cabin built and he has found that the Pine Meadow HOA is not highly thought of by Summit County. He acknowledged that Mr. Tyler has done great things as President. If he is elected his platform would be to make the HOA more transparent. You cannot have an HOA presidency and/or a Board that does not know the people in the community. Mr. Olsen asked the owners if they wanted to be a family or if they wanted to be separate individual entities living on the same mountain. Mr. Olsen believed that people were reluctant to run for the Board because they were scared about speaking out.

A member in Area 4 felt like she was represented by her area rep. and she thought other area reps were representing their areas as well.

Mr. Olsen was glad she was happy with her area rep. He clarified that he had not bad-mouthed specific area reps because they were all good people.

A member stated that if Mr. Olsen felt it was a monopoly it would never change anyway. He has attended many Annual Meetings that turned into a screaming match because no one wanted to go along with what anyone else had to say.

Mr. Olsen asked what percentage of the HOA were in attendance this evening. Mr. Tyler estimated 5%. Mr. Olsen stated that he has spoken with another 25% of the HOA who do not come to the Annual meeting because they do not feel like they have a voice. Regardless of whether or not it is true, it was what he was told. Mr. Olsen stated that no one should be afraid to voice their concerns to the HOA Board. If people in the community do not have a voice, what good is the community.

Mr. Olsen stated that if he is voted in, his vote would not be a free vote for the Board. His vote would be a vote for the community as long as that vote is for the betterment and the good of the community. He would like the opportunity to work with Tony Tyler and the Board, but he will stand up for what is right for the community.

Alan Powell, Area 3, was running for re-election for his third term. Mr. Powell stated that he tried to find someone else to run without success. He moved to the Ranch in 2004 to get away from suburbia and places like Pinebrook. Mr. Powell enjoys the gravel roads and he is not interested in having more paved roads. Mr. Powell stated that he is also active with the North Summit Fire District and has been before Pine Meadow became part of the Fire District. He loves the people, he knows all his neighbors, and he keeps an eye on the part-timers cabins. Mr. Powell loves being a full-time resident, but he believes he is there for the same reason as everyone else; to get away. He likes to keep the peace and serenity and still allow people to play. Mr. Powell has enjoyed the past six years and this is a great Board to work with. He noted that his contact information is on the website. He lives and works on the Ranch and he is happy to answer questions if people call him.

Mike Gonzales noted that both Mr. Powell and Mr. Tyler stated that they did not want more paved roads. He asked if he could hold them to that if they were re-elected to office, and he would like them to agree to resign from office if they propose to pave any road.

Mr. Powell replied that he is personally against paving roads, but if the majority of the owners in his area want a road paved, he would represent the people in his area.

Mr. Gonzales asked Mr. Tyler if he would not propose additional pavement. Mr. Tyler stated that he had proposed additional pavement on Tollgate Canyon. In addition, the 2016 budget proposes paving on the S-turns of Forest Meadow at the very bottom. He was opposed to paving roads inside the Ranch.

Tom Deaver, Area 4, was running for re-election. Mr. Deaver stated that he had asked five people to run for his position and everyone said no. He believed that people do not run if they are happy with what their Board is doing. Mr. Deaver noted that they have Covenants and CC&Rs and in addition to representing their area, they do their best for the whole Ranch. He stated that the Ranch is not the same as it was when he moved up 14 years ago. People have a voice and if they express it politely, the Board listens. No one has ever been thrown out of an HOA meeting. Mr. Deaver commented on the improvements that have helped the owners on the Ranch obtain insurance or keep their insurance policy from being blacklisted or cancelled because there was no fire protection. Mr. Deaver pointed out that things change on the mountain and the conditions change.

Mr. Deaver stated that if people want someone off the Board they have the opportunity to write in the name of someone else who lives in that area. Mr. Deaver stated that he does the best job he can and he is always open to questions or suggestions, especially from people in his area.

Bruce Hutchinson was running for Area 5 rep. Mr. Tyler noted that Mr. Hutchinson has been on the Board before and his input and time would be welcomed again. Mr. Hutchinson stated that he also hoped that someone else would run. He noted that Mark Hodgson was elected to represent Area 5 three years ago when Mr. Hutchinson left. Mr. Hodgson contacted Mr. Hutchinson to see if he was interested in running again. Mr. Hutchinson believed that those who have the time are the ones who serve on the Board. He noted that there have been several changes since he was last on the Board but he would do the best he could to represent everyone, particularly the people in his area, of which there are no full-timers.

2015 Projects

Mr. Tyler reported on the projects that were completed in 2015. He stated that every Spring the Area Reps are asked to drive or walk their entire area and come up with a list of road projects that need to be addressed. The lists are presented to the full Board and Jody Robinson provides input based on his knowledge of the roads as the Ranch Manager. The Board puts together an estimate for each line item and looks at the budget available for that year. Mr. Tyler noted that the projects are prioritized and they try to identify which roads can be done that year within budget, and which ones could be pushed off to the next year.

Mr. Tyler presented a list of 2015 road projects that were done based on the prioritization. Some roads were re-grade only projects, but others required additional road base. The road projects included Beaver Circle, Elk Road, Pine Meadow Drive, Navaho Road from Arapaho to Evergreen, the lower garbage lot, Valley Vista Drive, Lower Forest Meadow Road and Tollgate Canyon drainage ditches. The asphalt on Lower Forest Meadow Road was milled by a milling company and Jody regraded and re-rolled it. Mr. Tyler believed the process fixed most of the issues that were inherent from failing asphalt. Other projects included Porcupine Circle, Forest Circle, Running Deer, and Forgotten Lane.

Mr. Tyler encouraged the owners to contact him or their Area Reps if they find an area of a road that needs attention and it would be added to the list for the following year.

2016 Projects

Mr. Tyler presented a number of road projects the Board had discussed for 2016.

The potential projects included Navaho Road at Pine Meadow, Arapaho Road at Forest Meadow, Hillcrest, Pine Loop, and Lower Forest Meadow Road, where Mike Gonzales was opposed to having asphalt. Mr. Tyler pointed out that it was a section of road that gets a lot of traffic and currently the road was holding up well.

Mr. Tyler stated that limited applications of magnesium chloride are done each spring and summer on the roads that get the most traffic. It is generally done on Pine Meadow Drive up and around Bobcat Springs. A hill on Forest Meadow gets mag watered every year because otherwise it will not hold the material.

Mr. Tyler presented a list of secondary roads to be graded that Jody does whenever he has time. He noted that culverts are replaced as needed. Over a year ago he and Jody drove the Ranch and tried to identify where all the culverts were located. Traffic and water are the two primary issues that cause the roads to degrade. They cannot control traffic but they can control drainage with proper ditches and culverts.

Mr. Tyler outlined other issues the Board would like to address in 2016, which includes revisiting the Architectural Guidelines to make sure they keep with the intent of the Mountain community. He noted that every owner is invited to attend the monthly Board meetings and provide input. He emphasized that they did not have to be a Board member to contribute and have their voices heard.

Mr. Tyler had added Rules and Regulations and the Bylaws to the list because the Board was starting to review some of the governing documents. He thought it was important to revisit the documents to make sure they were operating above board and everything was totally clear. The documents were on the website and could be accessed by the membership. Mr. Tyler stated that if the Board were to recommend revising the Rules and Regulations or the Bylaws, it would require a vote by the membership at the Annual Meeting. If that were to occur, the revisions would be posted well in advance of the Annual Meeting so everyone would have the opportunity to review it and provide comments.

Another item on the list was to update long term planning goals. Mr. Tyler thought it was important to look ahead and determine what the Board and the membership want the Ranch to be in five or ten years. If they want it to remain the same that was fine, but the intent is to look ahead and make sure they work towards that goal.

Mike Olsen stated that the Rules and Regulations that are on the books need to be followed without favoritism. He believed that was an issue that was dividing the HOA. He has talked with many people who see things put through by the Board, but people who are not on the Board are not given the same consideration. Mr. Tyler offered to personally invite Mr. Olsen to the Board meetings when they work on the Rules and

Regulations so he could be personally involved.

Mr. Tyler noted that Ranch Signage Replacement was listed for 2016; however, the signs were purchased in 2015. He showed examples of the new signs and noted that Honey Parker had designed the signs. Dan Heath spent a lot of time obtaining several bids and quotes. The final sign was a second or third version before they decided to order them.

Mike Bowen, Lot C-47, asked when the signs are installed if serious consideration could be given to the placement for the snow plowers. He suggested placing signs on the uphill side of a corner rather than the downhill side. Mr. Tyler thought it was a good point and Jody would pay attention to that when installing the signs. Mr. Deaver pointed out that the signs are reflective and light up at night.

Mr. Tyler noted that the Ranch has a road roller that Jody uses; however, he spent more time fixing it this summer than driving it. The Board has talked about options of replacing the roller, having it rebuilt, or possibly renting a roller for the season. He had listed it under Other Projects to be discussed, but he was unsure whether anything would be done in 2016. Mr. Tyler stated that the Board is very careful with the funds that are available and they try very hard to work within the budget. He thought the Board did a good job in terms of the amount of work that gets done each year with the budget they have.

Bruce Hutchinson asked if they were planning on expanding the use of mag chloride, or keeping it the same as the last couple of years. Mr. Tyler replied that the plan was to keep it the same.

2015 Year to Date Financial Report

Mr. Tyler noted that Pat Kreis, the HOA Treasurer, was absent and he would do his best to present the financial report and answer questions. Carol Steedman would be able to answer questions as well.

Mr. Tyler pointed to the income side. He noted that the HOA has collected more money than they have ever collected in the past by this time of the year. He thought it was a testament to the fact that people see that their money is being used properly. The assessment rates were broken down by landowners, part-timer owners, and full-owners. The collections were at 96%, 99% and 92%. He noted that the full-timers had the lowest percentage paid and he requested that they all pay their dues.

Mr. Tyler stated that the LDS Church contributes \$11,000 to the maintenance of Ranch roads. The HOA has a good relationship with the Church and they appreciate their contribution.

Mr. Tyler noted that the SS lots are outside of the Ranch but they voluntarily contribute to maintaining the overall road system. The number for 2015 was lower than in the past, but it is not a consistent number and sometimes they contribute more and other times less.

Mr. Tyler stated that the impact fees are strictly related to construction on the Ranch. He recalled that six new homes were built and the rest of the construction was due to additions, sheds, or garages. The impact fees collected for 2015 was much higher than in past years.

Ms. Yamashiro, Lot G-2, wanted to know who is responsible for fixing roads that are damaged or torn up during construction. Mr. Tyler stated that if the road is damaged the property owner is supposed to repair it. If they do not repair it, the HOA will do the work and charge the property owner. He noted that prior to construction the homeowner signs an agreement to build a home on the Ranch, and road repair is addressed in the agreement. Mr. Tyler told Ms. Yamashiro to point out the damaged road to her Area Rep so they can be pro-active in making sure it gets repaired.

Mike Gonzales understood that the impact fee was supposed to cover damages that occur to the road. Mr. Tyler replied that impact fees were not designed to maintain independent sections of the road that are damaged due to construction. The impact fees are intended to offset the additional traffic that construction brings to the Ranch, but not specifically in the construction location.

Mr. Tyler noted that the fixed expenses were 11-1/2 months of expenses. He pointed out a few outliers. One was accounting and professional fees, which was over-budget because the Board decided to do an audit of the accounts that are held by the HOA. In addition to the actual cost of the Audit at \$9,550, it was a lot of additional time for Carol to prepare all the reports and provide the auditors with data and anything else they needed from the last four years to complete the audit. The last audit was done nine years ago and the Board agreed that it was time to do one again. Mr. Tyler stated that the auditors offered a few recommendations that they thought should be implemented, but overall the audit results came out great. The auditors were pleased with the accounting practices, the collections and how things were being handled. It was a very positive report.

Bob Burdette, Lot SS-144-H asked who conducted the audit. Carol replied that the accounting firm was Stayner and Bates. Mr. Tyler stated that once the report is finalized anyone could request a copy from Carol if they are interested.

Mr. Tyler reported that the credit card merchant fees were over-budget because of the number of people who pay their annual dues with a credit card. He pointed out that over

half of the budget is collected through credit cards. The Board was proposing to increase the budget for credit card fees in 2016.

Mr. Tyler stated that property taxes was another item that increased. He explained that in the 1970s someone built a cabin on a piece of property that is owned by the HOA, and the Board was in the process of trying to find a way to fix the problem. Mr. Tyler remarked that the new County Assessor recognized that there was a house on the HOA property and that it was not just vacant land. Consequently, the HOA was billed property taxes for the house and land. Mr. Tyler questioned whether anyone knew that the house was built on HOA property, including the person who built it. He noted that the HOA was appealing the tax bill, but that was the reason why the line item for property taxes had increased substantially.

Mr. Tyler noted that Miscellaneous Ranch Projects went over-budget because they purchased signs and the cost went under Miscellaneous Ranch Projects. Carol stated that it was also the cost of the survey for the property regarding to the increased property tax.

Mr. Tyler reported that \$20,802.52 was spent out of the \$50,000 budget for aggregates. He noted that more time was spent grading roads than purchasing material. Mr. Tyler stated that it was a conscious decision by the Board because due to the I-80 construction during the summer, the transportation costs for aggregates were double the usual cost.

Mr. Tyler referred to the line item, Contribution to Reserves. He noted that the Board had earmarked \$30,000 in the 2015 budget to contribute to the capital reserve or emergency equipment replacement reserve. Depending on how the year ends, they may be able to increase that amount.

Mr. Burdette asked if there was a reason why a balance sheet was not presented with the Statement of Revenue and Expenses. Carol replied that a balance sheet has never been part of the financials presented to the membership at the Annual Meeting. However, they could start including a balance sheet if the members wanted to see it.

MOTION: Bob Burdette made motion to include a Balance Sheet as part of the integral financial statements presented at the Annual Meeting. Lot G-76 seconded the motion.

Mr. Tyler stated that the motion was to create a balance sheet that would be posted on the website with the Annual Meetings. The balance sheet would show the actual to date through 11/16/15. He asked the members to include their vote as a write-in on their voter card.

2016 Proposed Budget

Mr. Tyler stated that the Board reviewed each individual line item in relation to 2015 and tried to make projections for 2016. He noted that the number of landowners, part-time owners and full-time owners had been modified based on the tax records. The Board was recommending that the assessment rate remain the same.

Mr. Tyler reviewed the proposed budget for 2016 and explained how they calculated the projected revenue and income. He stated that the 2016 budget was very similar to 2015. The proposed budget balances out to a surplus of \$526.

MOTION: Alan Powell moved to APPROVE the 2016 Budget as proposed. Tom LeCheminant seconded the motion.

Mr. Tyler noted that the Budget was an item on the voter card and he asked the members to vote.

Mr. Tyler stated that the Fee Schedule was another item on the voter card that needed to be approved by the membership. The Fee Schedule remained identical to 2015.

MOTION: Honey Parker moved to APPROVE the fee schedule as presented. Matt Brown seconded the motion.

Mr. Tyler pointed to the Funded Reserve. He noted that currently there was \$160,185.52 in the reserve account. He anticipated contributing \$30,000 to the fund this year. That number could increase depending on how much surplus they end up with in 2015. Mr. Tyler stated that they were continually growing the fund to make sure they can take care of all capital expenditures, equipment, major repairs, etc.

Mr. Tyler presented a slide of the Unfunded Capital Reserve. For example, the roller is at the end of its useful life. If they value that piece of equipment at \$2400 and it fails entirely and needs to be replaced, the replacement cost is \$60,000. Mr. Tyler stated that the portion of the equipment that is unfunded is \$57,600. As an HOA they try to look at the capital expenses moving forward. A second example was the tractor. They paid \$55,000 for a new tractor last year. After a year's depreciation the tractor is now worth \$52,800; therefore the unfunded portion that would come out of the reserve is \$2200. Mr. Tyler stated that there is a separate report that outlines the long-term look at the reserves. If anyone wanted to see that report they could contact Carol to obtain a copy. Mr. Tyler stated that the Board felt comfortable that the capital reserve was healthy for what they have projected.

Mr. Mahler, Lot D-89, asked if an actual reserve study has ever been done. Mr. Tyler stated that a reserve study was done two years ago. The HOA Rules allow for the Board

to create a reserve study. It was done two years ago and updated in 2014 and 2015. Every third year the study needs to be redone in its entirety. Mr. Mahler asked if the next study would be independent or done by the Board. Mr. Tyler stated that it would depend on the desire of the Board as a whole and time constraints.

Mr. Burdette asked if Mr. Tyler had similar figures for the rest of the equipment on the Ranch. Mr. Tyler stated that it was too much detail to go into this evening, but it was available if Mr. Burdette or anyone else wanted to see it. Mr. Burdette asked Mr. Tyler to explain in detail what the unfunded reserve study would show so they could compare it to the reserves they currently have. Mr. Tyler reported that the total unfunded balance for 2015 was \$139,800. It was mostly attributable to the road grader. Approximately, \$20,000 in unfunded reserve was on the pickup truck, \$3,000 on the snow plow, \$1400 on the sander. The tractor had no additional value attributed to it. The \$2200 he previously mentioned was for 2016. The snow blower for the tractor was \$1600. The sand shed was \$3300. Repainting the exterior of the sand shed was \$1300 and re-roofing the sand shed was \$933. The side by side utility vehicle was \$5866. Asphalt sealing was a \$10,000 unfunded balance. Asphalt chipping was \$13,330. New asphalt was \$10,000. The emergency reserve was \$75,000. Mr. Tyler noted that HOA maintains a \$75,000 balance in an emergency reserve account that is never spent so they have funds available when an emergency arises.

Mike Gonzales asked if there were plans to increase the \$75,000 amount considering that tragedy on the Mountain could exceed \$75,000. Mr. Tyler agreed that they should look at increasing the amount.

Community Playground

Mr. Tyler reported that Shane and Amanda Deuel, Lot D-42-AM, have been working towards an amenity for the Pine Meadow/Forest Meadow Ranch community, and wanted to present their concept this evening to the HOA membership.

Ms. Deuel stated that they were part-time residents for six years and they became full-time residents two years ago. They have a three-year-old son and realize that more young families are moving up to Tollgate full time, and some are young couples with small children. Ms. Deuel remarked that currently there are approximately 50 full-time children. That number does not include the countless number of families with children who come up to their vacation cabins. Ms. Deuel commented on the need for a family-friendly community area. Many people have talked about having a playground for kids and where neighbors could get together.

Ms. Deuel stated that in the Spring they started doing a lot of research. They started a Facebook page and have 100 likes. They have approximately 200 views. There is a lot

of excitement around this idea and a lot of suggestions for what people want in a community park. They have tried to incorporate all of those comments into their plans.

Ms. Deuel noted that the current common area is Bobcat Springs. It is heavily used in the summer, which shows that there is a desire for a common place and that people would use it. Ms. Deuel outlined the benefits it would offer to the community. It would be an additional common space for recreation, and it would help improve safety because it gives children a place to play in a safe environment and on equipment that is safety certified. It would also be an added community benefit that would be appealing to future buyers.

Mr. Deuel stated that in addition to doing research she has attended several Board meetings. They have found a site for the potential community park, which is a flat area off of Arapaho Road. They had drawn a tentative park plan to give the Board an idea of what could be possible in that space. The Board discussed whether the existing liability insurance that the HOA has would cover this type of activity, and they found that it would. The final playground plan would be submitted to the insurance company to make sure everything is covered. Ms. Deuel had looked into land preparation and excavating costs, and they researched play structures.

Ms. Deuel presented a picture of a Bear's Inc. Playground. They chose that play structure because it is a solid piece of equipment with a great warranty program. It has been installed at ski resorts, State parks, and campgrounds. It has a lot of features that would appeal to children of varying ages.

Mr. Burdette asked if there were chains or other elements that animals could get hooked onto with their antlers. Ms. Deuel answered no. She pointed out that this structure is chosen for campgrounds and state parks specifically for that reason.

A member asked if this would only be a summer playground only. Ms. Deuel answered yes. She pointed out that there were places in the area that could be used for winter activities such as a sledding hill; however, their main focus at this point is the play structure because it would be the biggest investment. If they fund the playground equipment they could add additional amenities in the future. Ms. Deuel reported that the annual maintenance cost for a playground and a park is minimal. The log structure would need to be stained every year and the bark mulch underneath the play structure would have to be refreshed. The structure would be inspected every three to five years by a playground safety inspector and that cost is approximately \$200. Ms. Deuel thought it would be easy to fund raise for small maintenance projects each year by the people who use the equipment.

Shane Deuel thanked his wife for the many hours she has spent researching data and

making sure this idea could work. Mr. Deuel believed this would be a positive benefit to the community; and funding is the key between a great idea and making it reality. He and his wife researched various HOAs in Utah and around the nation to see how they handled funding related to similar parks. Some HOAs increase the annual assessment to cover the cost of the park. However, after talking with the Board they realized that while many people like the idea, not everyone would support it. Therefore, raising the assessment was not the best approach. Mr. Deuel stated that after looking at other options, they decided that fundraising for the cost was a fair option. He clarified that fundraising is a big task and they needed to raise a significant amount of money. The goal is to raise \$28,000 through private donations and businesses in the area. That amount would fund the playground, excavate the area, and create a benefit for everyone in the community. Additional amenities could be added in the future and the total cost would be approximately \$40,000 to build an entire park with multiple features. He emphasized that the focus at this time was to fundraise for the park, the excavation and the play equipment.

Mr. Deuel stated that a mailer would be sent out in January for the HOA dues. On that form they could add a separate line asking for donations for the park. People who wish to donate would check a yes box, write in the amount of their donation, and send a check. Mr. Deuel reiterated that they would also be asking area businesses for donations. The goal is to break ground when the snow melts if they can fund the project. They would ask for volunteers to help build the park.

Mr. Gonzales asked if they had looked at using crowd funding options. Mr. Deuel replied that they have looked at crowd funding options as something to consider, but not until they see how much is donated from the initial mailer. They could launch gofundme.com which is a crowd sourcing site, but the fee is 6% of whatever is donated. If possible, they would like to avoid losing 6% of very valuable money.

Jim, Lot G-76, asked for clarification on the area business donations. He asked if the business who donate would also be able to use the park. Mr. Deuel explained that area businesses like to get their name out to as many people as possible through advertising. He believed that area businesses that have an interest in Tollgate business would find it in their best interest to donate to the Tollgate Park. He clarified that those businesses would not be using the park. Jim was concerned that if a business donated money they would want to bring their kids to the playground.

Mr. Gonzales asked how an area business that donates would get the recognition. He did not believe the HOA would allow advertising signs. Mr. Deuel replied that one idea is to place a sign at the park, but off the road, naming those who donated to the park. Another idea is to list the names on the website of the area businesses who donated and ask the community to support their business. Facebook was another option.

A member asked if the HOA Board had already approved using the property for a playground and park. Mr. Gonzales stated that the Board discussed it and agreed that if it was privately funded, the HOA would make the property available. Mr. Tyler noted that it was subject to the final equipment and Board review of the final specifications. In principle the location and concept has been approved by the Board.

A member stated that HOA property belongs to the community. Mr. Gonzales remarked that it was the same concept as the fishing pond that Tom LeCheminant proposed and carried through to completion. Those who wanted to contribute did, but it was not mandatory. It remains community property and people can ride their bikes around the pond. Mr. Tyler noted that motorized vehicles are not allowed on undeveloped HOA property even if it is common. The member was concerned that a park would make garbage and traffic issues worse than what already exists. He asked if there would be garbage cans and who would be responsible for taking care of it.

Ms. Deuel stated that there is a playground committee and one of their jobs is fundraising to create this park. Once the park is in place the role of the committee would be oversight. They would plan a fall and spring cleanup day, they would handle all maintenance, and fundraising for maintenance costs. If a committee member goes to the park with their children they can pick up trash. Ms. Deuel remarked that the park would be governed by a volunteer committee of people who use the amenity. They are committed in order to have this amenity in the community.

The member thought it was a noble sentiment, but he has personally filled the back of his truck with garbage off the side of the road after holidays and weekends. He believed that many people have no respect for the Mountain. Mr. Tyler agreed. If he could catch the offenders he would report them to Summit County for littering.

A member wanted to know what they would do with the money they raise if it is not enough to fund the park. Ms. Deuel replied that they would do as much as they can with the money raised. For example, they might not be able to afford the play structure right away, but they could develop a park and create a picnic area. It would continue to be a work in progress.

Mike Olsen, Lot D-17, stated that the HOA needed to start enforcing more rules, because that was where they were losing Summit County support. They need to start taking responsibility for what happens in their own HOA. Mr. Tyler agreed with the issue of enforcing the rules, but he did not entirely agree regarding their reputation with Summit County. He noted that Pine Meadow has had a checkered past with Summit County but he believed they have worked diligently as a Board and as a membership in the whole Tollgate Canyon area to help build a relationship. He thought that was apparent when

Summit County donated a sizeable grant to the HOA to rebuild Forest Meadow Road to make it safer. Mr. Tyler did not think there was any remaining ill-will from Summit County. Mr. Olsen stated that there is still ill-will and it is attributed to the people in the HOA who complain to Summit County about rules and regulations that are being broken.

An owner understood from earlier comments that they had checked with the liability insurance and got a commitment that the premiums would not be increased if the park goes in. Mr. Tyler replied that he submitted the proposal that the Deuel's had prepared and he was told that the liability already exists and it would not increase the premiums. The owner wanted to know the number of years that they agreed not to raise the premium. Mr. Tyler noted that insurance rates are re-evaluated and change on a regular basis. They were not guaranteed a specified time frame. The owner was certain that eventually the rates would be raised with the addition of a children's park and he thought they needed to plan in advance for an increase. He thought there should be an agreement that if the premium is increased, the increase should be paid by private donations.

Someone asked for the size of the parcel. Mr. Tyler stated that there are three parcels that total approximately 25 acres. The portion proposed for the park is the hillside area above the winter parking lot and the maintenance shed.

A member thought they needed to look to the future and master plan that area before doing anything. Mr. Tyler stated that unless they intend to develop buildings there was no reason to master plan because it is open space. He explained that a portion of that common area is actually used primarily for HOA operations. The Water Company operates out of the same lot. The existing building belongs to the Water Company and there will a temporary fire station in that location while the Fire District works on a permanent location. The temporary fire station will eventually be turned over to the HOA as a maintenance shop. The flat portions that have been graded out is used for winter parking.

A member assumed that the acreage included those buildings Mr. Tyler mentioned and not just the area for the park. Mr. Tyler replied that the area proposed for the park was approximately half an acre.

The owner of Lot D-25 understood that the Board has the authority to make some judgments on their own, but she felt that something like the playground and park should be voted on by the entire membership. The owners should have a say as to whether or not they want the common property to be used for that use.

Mr. Tyler remarked that the purpose of presenting this concept at the Annual Meeting was to hear feedback from the membership. He noted that the Deuel's have reached out to

as many people as possible through social media, email, and talking to people around the Ranch. He stated that to this point all of the negative feedback have concerns related to cost impacts and liability. He thought both issues were easy to overcome. If the initial project and the long term maintenance costs are funded privately, there is no cost impact to the HOA. The liability issue has already been discussed with the insurance company.

Mr. Gonzales thought the member made a good point in terms of bigger issues being voted on by the entire membership and not just the Board. He pointed out that very few people attended the Board meetings where this project was discussed. Mr. Gonzales thought it was a good idea to get a broader opinion.

Ms. Cronje, Lot D-90, thought it was great that the Deuel's were passionate about this project, but she wanted to know what would happen if at some point they were not there to run the committee and no one else was willing to oversee private funding and maintenance of the playground. She did not expect an answer this evening, but she thought it was something they needed to think about.

Mr. Deuel appreciated her concern. He agreed that it was something they needed to look into because they would not want it to become an issue in the future. Mr. Tyler pointed out that if it ever became an issue the equipment could be dismantled and the use would be discontinued.

Mr. Tyler asked if the members were comfortable adding donations as a line item to the assessment mailer. There was no opposition. The suggestion was made to also add a line item asking people to say whether or not they even wanted a community park. Mr. Tyler liked that idea. Ms. Parker offered to post it on the official HOA Facebook page to get feedback from the members on whether or not it was something they were interested in having in their community. The suggestion was reiterated for a master plan for those HOA parcels to determine how that area should be used. Ms. Parker asked Mr. and Mrs. Deuel to send her all the information they have compiled and she would make it accessible to the membership.

Someone asked if the idea for a master plan would also be included in the mailer as an option. Mr. Tyler questioned whether it was worth spending the time and money to master plan the area where the park is proposed because he could see no other long term use other than open space.

Cheryl Groot, Lot D-70 asked if the Board approved the buildings that were already on HOA property without membership input, and whether there was a precedence for asking the entire membership. Mr. Tyler explained that there are restrictions on what the Board can and cannot do in terms of use and disposition of property. For example, the Board cannot sell a property that is owned by the HOA without notifying the HOA and getting

input. However, the Board is allowed latitude in terms of how to utilize the space because the Board is a representative body of the entire membership. He stated that approval of the temporary fire station was a good example of the Board's latitude. They signed an agreement with the North Summit Fire District that allows them to build a building on HOA property on a lease basis for \$1. It is a massive community benefit to the whole area and the Board felt it was well-worth the use of that small piece of property. In response to the question, Mr. Tyler stated that there was not a precedence for those types of things to be voted on by the entire membership.

In terms of the playground, he recommended that they add the line items to the mailer and when they are returned the Board will review all the answers and make their decision based on that input.

Mr. Tyler thanked Shane and Amanda Deuel for their time and effort and the thought they have put into this project.

PMRHOA Issues and Information

Mr. Tyler again reminded the members to fill out their voter cards and to add the vote regarding the balance sheet for the budget. Carol requested that the cards be filled out and returned before the end of the meeting.

Term Limits

Mr. Gonzales noted that term limits was an item that was discussed at the Board meeting but it was not included on the ballot. He recalled that the only way to implement term limits was to change the bylaws. Mr. Tyler asked if Mr. Gonzales was proposing to look up the bylaws now and propose language this evening. Mr. Gonzales clarified that there was already language in the bylaws. He was only proposing to limit area reps to three terms and executive position to two terms. He believed it would bring fresh and new ideas and encourage other people to be on the Board to participate and understand the function of the Board. When the same people continue to do the same things, the result is always the same.

It was pointed out that it is difficult to find people who are willing to sit on the Board now. Mr. Gonzales replied that it was not necessary to fill those position because someone would do it by default. Mr. Tyler thought term limits was a good idea to discuss; however, he did not believe the members were prepared to vote on it this evening. He stated that it is already difficult to get people to volunteer their time, and if term limits were in place they would probably not have an HOA Board because no one would volunteer. Mr. Gonzales disagreed. He would step up and he believed others would do the same.

MOTION: Mike Gonzales made a motion to enforce term limits for Board positions. Area reps would be limited to three consecutive terms and executive members would be limited to two consecutive terms. After a term lapses, a previous Board member could run for office again. The owner of Lot E-25 seconded the motion.

Mr. Tyler called for discussion on the motion.

Mr. Heath suggested that before they vote they should get a legal opinion on whether or not the HOA could legally forbid someone from running for any Board position.

Mr. Tyler asked Mr. Gonzales how he would like to address the issue if they get a legal opinion from Ted Barnes, the HOA attorney that they could not legally forbid someone from running for office. Mr. Gonzales stated that if there is a legal fact that prevents them from doing it; he would abide by it and it would set the course.

Mr. Tyler requested that Mr. Gonzales amend his motion for clarification. He noted that the person who seconded the motion must agree to the amendment.

Mr. Tyler clarified that the motion was for a two-year term limitation for executive positions and a three-year term limitation for area reps. If they get legal advice from the HOA attorney that say they cannot prohibit owners from running for office, Mr. Gonzales would agree to remove all of the term limitations.

Mr. Gonzales stated that he would definitely want a legal opinion clarified, but it would not prohibit anyone from running for office. Mr. Tyler pointed out that if a term was up the Board member could not run again. Mr. Gonzales stated that if the office of the President of the United States has term limits he was unsure why it would be illegal to have term limits for Board positions.

Craig Gillam, Lot D-41, pointed out that in the candidate introductions two Board members had said they were running for re-election because no one else would run. He did not favor term limits because if other people want to be on the Board they will put their name on the ballot. Board members volunteer their time and the length of time should not matter.

Mr. Tyler noted that a motion was made and seconded and he asked the members to include it on their voter cards.

A member thanked Tony Tyler and others for their hard work to make sure the fire department happened on the Ranch. He asked the rest of the membership to show appreciation and applaud Mr. Tyler and the volunteers who serve on the Fire Department for their service to the HOA.

Private Snowplowing

Mr. Tyler reported that a determination was made last year by the insurance carrier for the Pine Meadow Emergency Evacuation Plan, which is the entity that has operated snowplowing on the Ranch, that the existing contract and liability insurance requirement did nothing for the Ranch. Mr. Tyler stated that the HOA has been requiring insurance from individual plowers to plow the road but that insurance would not cover the HOA if there was an event. After a follow-up conversation with the HOA insurance agent, he was told that the liability already exists on the roads and the HOA was covered under the existing policy for anyone who uses the roads in any form or fashion. For that reason, insurance on an individual plower basis is no longer required. Mr. Tyler pointed out that standards of plowing could still be required by the HOA. The plowing requirements were available on the website.

Pets and Leash Laws

Mr. Tyler noted that this item was mentioned earlier and it is not regulated by the HOA. He stated that Summit County requires pets to be on a leash if they are off the owner's property. If anyone sees animals off leash they should contact Summit County Animal Control and they will come up to handle the situation.

Parking Restrictions

Mr. Tyler stated that if a vehicle does not have a parking sticker it should not be parked in the HOA owned parking lots. Parking stickers are \$1.00 apiece and Carol had them available this evening. If there is an issue and a car needs to be moved, the sticker allows the HOA to know who to call as opposed to having it towed away.

Someone asked if the sticker covers parking at Oil Well. Mr. Tyler replied that Oil Well was not HOA property. It is private property and the owner allows people to park there.

Snow Stakes

Mr. Tyler noted that Hutch Foster puts up a snow stake every year and there is a link to it on the website. If people are curious as to the amount of snow, they can click on the home page and look at the snow stake.

Miscellaneous Questions

Someone commented on the North Summit County Fire temporary station. She asked if Mr. Tyler thought they would have better attendance if they used that as the meeting

place for the Annual Meeting next year. Mr. Tyler stated that the temporary building was in process and it is intended to eventually be a shop type structure to hold equipment. The long term solution is to carve out approximately 2-1/2 acres where Arapahoe, Pine Meadow, Forest Meadow meet, and to allow the North Summit Fire District to utilize that property to build a permanent fire station. The Fire District has submitted plans to the Board for a larger permanent fire station and associated space, including meeting room space where they could hold HOA meetings on the Mountain. Mr. Tyler pointed out that the building would also have a permanent helipad for emergency access.

Someone asked about a foundation that has been poured at the gravel pit. Mr. Tyler replied that it was foundation for the temporary fire station.

Someone asked about Area 7 because it was not represented on the ballot. Mr. Tyler stated that the Area 7 rep is not up for re-election until 2018. He pointed out that every Board position comes up for re-election every three years. The terms are staggered so not everyone runs the same year.

Ballot Results

Approval of Minutes – The motion passed 47-0.

Approval of the Fee Schedule – The motion passed 45-1.

Approval of the 2016 Budget as presented – The motion passed 46-0.

Approval to provide a balance sheet up to November 2015 – The motion passed 39-0.

Approval of Term Limits – The motion failed 6-36.

The annual meeting of the Pine Meadow Ranch Owners Association adjourned at 9:18 p.m.

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