

PINE MEADOW RANCH OWNERS ASSOCIATION  
TRAILSIDE PARK CONFERENCE ROOM  
5705 TRAILSIDE DRIVE  
PARK CITY, UTAH  
NOVEMBER 25, 2008

In Attendance: Hutch Foster, Dan Heath, Bruce Hutchinson, Bob Burdette, Scott Clausen, Suzanne Larsen and Carol Steedman

Scot Erickson was excused.

Hutch Foster called the meeting to order at 6:30 p.m.

**Approval of Minutes**

MOTION: Bob Burdette moved to ACCEPT the minutes of October 28, 2008. Dan Heath seconded the motion. Mr. Foster made reference to item number 7 and the comment in the minutes to “get stored cabin moved one way or another”. He wanted clarification that this did not need follow up. Mr. Burdette believed it was a wish of the Board that it be moved, but not a reality.

VOTE: The motion passed unanimously.

Mr. Foster noted that the minutes of October 14, 2008 had been tabled from the previous meeting since there were not enough members present who had attended. For the same reason, the October 14<sup>th</sup> minutes were tabled again to the December 9<sup>th</sup> meeting. Mr. Foster requested that the minutes be sent to everyone again so they would have a fresh copy before approving them.

MOTION: Scott Clausen made a motion to table the minutes of October 14, 2008. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Carol Steedman, with KGC Associates, noted that the minutes of October 28<sup>th</sup> referred to documents filed with her. She asked which documents those were. Mr. Foster clarified that he had not talked to Carol about this, but the Board sends out noncompliance letters and construction agreements, which have a way of getting misplaced. They would like Carol to keep copies when they have an agreement with an owner or receive a complaint letter.

**Owner/Visitor Open Forum**

Carol updated the Board on a number of items currently in process. She noted that the post office box had been changed in an effort to save 25 miles per week to pick up the mail. The new box number is 95567. Mr. Burdette explained that he had spoken with Carol at the annual meeting and questioned why the P.O. Box was in Sugar House. They determined that there was no reason

for the P.O. Box to be in that part of town, but it has always been there. Mr. Burdette pointed out that Carol does not live near the Sugar House area and had suggested that she get a post office box close to where she lives. Carol stated that the mail will be forwarded for six months to a year. She had also sent postcards to all of the vendors and notified the bank. Carol stated that Mr. Burdette had signed documents to change the address for the Workers Comp insurance and the IRS. She reiterated that his would save the HOA 25 miles per week.

Mr. Burdette stated that the Board had not had the opportunity to discuss or vote on this matter. Carol apologized if she had done this prematurely. Mr. Foster felt they should call it an administrative change and not worry that the Board was not informed. He asked Carol to email him the information on the P.O. Box so he could make that change online. Carol noted that the new P.O. Box would be effective December 1<sup>st</sup>. Carol stated that the lot owners would also be notified through the statements. The ZIP Code of the new P.O. Box was 84095 in South Jordan.

Carol reported that she had received a letter from Arthur Christian, Lot FM-A-12 with nice comments for Scot Erickson and Dan Heath. He was happy with Scot's work and highlighted the fact that Dan had a similar view to find a more equitable way to take care of Forest Meadow road. Carol noted that several ballots had come in and 77 were for Dan, 10 were for Scott and 7 for Amy. Those ballots represent approximately 10% of the mountain. Carol explained the use and functions of the new digital recorder being used for this meeting and requested that the Board members introduce themselves when speaking until their voices could be identified.

Carol reviewed the collections sheet she had included in the packet. She noted that \$7,517.91 had been collected. She indicated the actual collection amount that was sent to Revenue Recovery and what has been paid to the HOA. She identified the past due amounts and noted that the ones marked pre-collections have made payment arrangement with the HOA. Carol stated that the only ones who are not paying are the ones in the hands of the attorney. The accounts were sent to collections on August 26<sup>th</sup> and 15% has been collected to date. Carol explained there is no out of pocket expense to the HOA on money collected by Revenue Recovery.

In response to a question about tracking change of lot ownership, Carol explained that she is usually alerted by the Title Company. She also finds updated information on the Summit County.org website when she hears that a lot has been sold. Carol explained why some of the lots were showing a credit balance. Mr. Foster could not recall how far past due accounts could be before they are sent to collections. Carol recalled that after three quarterly statements past due, accounts are sent to collections. Mr. Hutchinson asked Carol to further clarify what he considered discrepancies on the spread sheet. Carol explained that the numbers were based on assessment amounts that the lot owners owed to the HOA. The amounts reflected discounted rates, late fees and finance charges that were shown in the past due accounts; but she had shown

them as a line item for collections. On Lot G-27, Carol explained that the balance of \$1223.80 was sent to collections. The owner had paid \$1208.48. The HOA received the amount owed, less a small finance charge, and the collection agency received their fee. Carol pointed out that without the collection agency, the HOA would not have received any money.

Mr. Foster asked if the original balances shown for each owner included interest and fees or just the total unpaid dues. Carol replied that it included the unpaid balance and finance charges and late fees. When the contract was created with Revenue Recovery, he asked if they had authorized the agency to negotiate or reduce the original balance. He believed the goal was to collect 100%. Carol replied that this had been a special case. He was not opposed to a reduction once in a while, but wanted to make sure it did not become general policy. Carol clarified that they would be getting paid the amount on the books as close possible, minus a finance charge on a few accounts here and there. Carol reported that new statements would go out the end of the month and she hoped more past due balances would be paid before they go to collections. Mr. Burdette stated that he had asked Carol to reference the finance charges at the bottom of the statement so there is no question that they have the legal right to collect those finance charges. Mr. Foster suggested a general statement indicating that collection charges would be applied.

Mr. Hutchinson asked why MyCorp.com., PI-E-16, had not been turned over to an attorney. Carol replied that this account has been the same for a long time and he has never paid. She could not understand why it was never sent into judgement. Carol stated that the address she has in Ogden is a working P.O. Box; however, he selectively chooses which mail to pick up. This individual sends letters requesting information on his balance, but when she sends the requested information the correspondence is returned. Currently, the collection agency has five different addresses for this person. Mr. Foster suggested filing a lien against the property. Carol stated that MyCorp is not a functioning corporation. The individual's name is Buhle or something similar to that. Carol will check with the collection agency and file a lien on the property if necessary.

Carol reported that she had called Summit County to find out why Fortuna's and Loverage's were listed as six lots. She found that they were brother and sister. Mr. Loverage is in the service and his sister is Sidney Ann Fortuna. There are three lots but half interest of each lot has been sold to the brother and sister. Therefore, they pay half of everything. It poses a problem because as far as the HOA is concerned, they are full lots and that is how they are assessed.

Mr. Heath pointed out that lots cannot be split. Carol stated that Summit County had allowed the lots to be split. Mr. Foster stated that a lot can have multiple owners but Summit County should not allow one lot to be split into two parcels. It was noted that lot lines could be adjusted but the lots could not be subdivided. Carol pointed out that the lots were not subdivided, but they are half interest owned. It is a single lot, but the lot is listed on the tax records as two separate lots. Mr. Foster suggested that they split the dues between the two owners. Carol thought this was an

excellent solution.

Carol clarified that the situation with Dan Paulsen, Lot 163, was for the culvert that was never paid. The account has been sent to collection and she asked what the Board wanted to do about it. Mr. Heath explained that the rules prohibit an owner from putting a culvert in their own driveway. If they want a culvert, the owner buys the pipe and the HOA installs it. Mr. Foster stated that when he asked Scot Boyle to explain the policy, he understood that the policy did not prohibit an owner from installing a culvert, but people were incapable of knowing how to do it properly. Therefore, the HOA offers to install it as a service and not a requirement.

The Board agreed to let the collection agency deal with Mr. Paulsen.

Carol stated that the collection agency is already familiar with problems with Richard Wolper, G-47 because he has a history of skipping out and disappearing.

Carol mentioned lots that the collection agency would like authorization to proceed with foreclosures. Mr. Hutchinson clarified that it is a judgment and not an actual foreclosure. If they are awarded a judgement they can redeem it at the Sheriff's sale. Mr. Foster thought it would be foolish to change their strategy for different lot owners. They should pursue each lot owner in a systematic and equal way. As a Board Member, he did not want to get involved in individual situations. This was why he favored using a collection agency. He asked Carol to make sure the agency pursue each lot on the same basis. He also suggested that if the agency comes across a property owner that they are dealing with in another circumstance, he preferred that they pursue those people as if they are individual Pine Meadow Ranch cases and not look at them as a part of a longer history.

Carol asked Dan Heath to provide her with a current address for Kitsmiller, Lot PI-B-34. She understood that her husband had died and she wanted to avoid sending her account to collections because of the situation. The Board members discussed when they should allow a collector to foreclose or pursue a judgment on a property. Mr. Clausen felt that only accounts they have been trying to collect for two years or more should be foreclosed on and sold. He thought the Board should provide specific direction to the collection agency on when proceeding with a foreclosure or judgement is appropriate. Mr. Foster suggested that Carol ask Frieda, with Revenue Recovery, to write a description of the process she would like to take on the more difficult accounts for the Board to review before they make a decision. Mr. Burdette noted that they are dealing with a professional collector backed by an attorney who obviously understands the law and the efforts they can take. He encouraged the Board to allow the agency to do their work. Mr. Foster felt it was important to hear from the collection agency so the Board could provide the direction he had recommended.

Carol noted that the HOA could charge a \$50-75 re-service fee every time she sends information to the Title Company. That fee would be paid by the buyer to re-establish service. Mr. Foster thought it was appropriate to recoup the charges.

MOTION: Mr. Foster made a motion to authorize Carol to charge a \$50 re-service fee to the buyer to put them on the system. Mr. Clausen seconded the motion.

VOTE: The motion passed unanimously.

Mr. Foster noted that Pine Meadow Water company uses Carol and her transcriptionist to transcribe the minutes of their meetings. He suggested that they allow Sue to participate more fully in the meetings and to keep track of scheduling, meeting places and copies of the minutes; but allow Carol and her transcriptionist to actually transcribe the minutes. Carol noted that the minutes are not transcribed verbatim and suggested that the Board pull up a copy of the Water Company minutes to see the level of detail.

MOTION: Mr. Hutchinson made a motion to have Carol transcribe the minutes of the annual meeting since they are quite lengthy. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Mr. Foster stated that the Board would discuss at the next meeting whether or not to continue having Carol do the minutes as a regular policy.

### **Monthly Budget Review**

Mr. Foster reviewed the balance sheet dated November 25, 2008 and noted that the top number at the right hand column in the amount of \$30,469 was the current checking account balance. He stated that \$30,000 of the \$77,000 in the Zion money market account was moved to the checking account. Mr. Burdette indicated \$6,473 in bills from Clyde, Snow and Session and recommended that only one person deal with the law firm. Whenever an issues arises, legal bills appear and no one can identify what it was for. Mr. Hutchinson questioned why the Board had not seen this bill until today. He was told that expenses were incurred in August and October, but they had never received the bill that was dated October 7. He stated that approximately 90% of the bill was collection matters on old accounts and the costs cannot be passed on to the deadbeat owners. He felt that adding a statement at the bottom of the invoice regarding finance charges and late fees , as they had discussed earlier, would give the board some recourse for recovering these charges in the future. He reiterated his request to have one Board member be the liaison with the attorney.

The Board reviewed the unpaid bills totally \$21,322.

MOTION: Mr. Burdette made a motion to cut checks for a total of \$21,322 and that the money come from the Zions Bank checking account. This would leave a balance of approximately \$9,000 to get through the month of December. Mr. Hutchinson seconded the motion.

VOTE: The motion passed unanimously.

Based on past history, Mr. Foster thought he should be the one to work with the attorney. He stated that there are several things that need to be done with Ted; but there may be a time when they should look for an alternate attorney to handle simple matters.

Mr. Burdette presented a bill from Park City Academy in the amount of \$50 for the use of their room and their projector at the annual meeting.

MOTION: Mr. Burdette made a motion to pay the Park City Academy \$50. Mr. Clausen seconded the motion.

VOTE: The motion passed unanimously.

### **Manager's Report**

Mr. Foster stated that he received a late email from Jody indicating that an emergency situation came up and he was unable to attend this evening.

### **Recap of Annual Meeting**

Mr. Foster had intended to recap the annual meeting since half of the Board had not attended, but he decided to wait until the minutes are transcribed. He noted that Mr. Burdette had given an excellent presentation of last year's financial report and the proposed budget for next year, which the Board would discuss this evening. There was also a lengthy discussion that Dan led on the SSD proposal, that he felt was received positively.

Carol referred to an email she had previously sent to Dan Heath, Bob Burdette, and Hutch Foster that talked about working the annual minutes into her work schedule. Because of the holidays, the minutes of the annual meeting would not be ready until a week prior to the January 13<sup>th</sup> Board meeting, as well as the December 9<sup>th</sup> meeting minutes.

### **Review of Budget Proposal for 2009**

The Board reviewed the proposed budget for the Ranch. Mr. Burdette stated that at the time the budget was put together it was based on their best estimate for 2009. He noted that his budget for legal fees for \$4,000 was projected before they ended up with \$6,000 bill that was paid this evening. He believed the legal fees could be controlled if the Board is prudent in their use of legal counsel. Mr. Clausen suggested that money be transferred from the budgeted amount for taxes. They paid \$13,000 this year and \$25,000 is budgeted for 2009. He hoped they would not see that large of an increase. Mr. Burdette agreed that the property tax could be less than the \$25,000 budgeted.. He noted that they have 11 lots in Summit County and one lot in Morgan County. Mr. Burdette referred to equipment purchases at the bottom of the budget where he had budgeted \$30,000 to acquire one additional piece of equipment, such as a dump truck or roller. He noted that a smaller amount of \$20,000 was budgeted for putting rock down on the roads. Mr. Burdette stated that the \$19,000 budgeted for asphalt repair may not be needed as part of the possibility of an SSD approval. Mr. Burdette identified line items where he had budgeted heavier numbers than what they would probably need. He believed they had room in the budgeted numbers for property taxes, equipment repairs and diesel fuel.

Carol suggested that they increase the budgeted amount for postage and printing to meet the actual cost of \$1500. Mr. Hutchinson noted that when the storage unit was cleaned out they found boxes of window envelopes already stamped that could still be used with additional postage. Carol will use those envelopes when the invoices go out in February.

Mr. Foster stated that when they get to the point of seriously discussing whether or not to purchase a piece of equipment, it would be useful to have an estimate on what they spend a year for specific road maintenance expenses so they can see where they would get the most for their money.

### **Environmental Control Committee (ECC)**

Mr. Foster commented on the subject of creating a Building Guidelines document with suggestions for environmental control for construction. Mr. Heath, representing the Environmental Control Committee (ECC) stated that the document is in progress. Mr. Foster clarified that the Board has discussed the idea of creating guidelines for construction, materials, and colors suitable for a Ranch environment.

Mr. Foster encouraged the area representatives to drive around their areas and confirm that

people who are still under construction are stopping construction for the winter. If they are unable to do it, he requested that they ask another Board member to do it for them. If there is continued building, the Board is not obligated to refund the \$2,000 construction impact fee.

### **New Business**

Mr. Foster suggested that the Board cancel their second meeting in December because of Christmas. He could see no impending issues that needed to be addressed as long as the bills get paid. The last meeting of the year would be December 9<sup>th</sup>.

Mr. Foster asked if the area representatives had anything to report. Mr. Hutchinson stated that when they were in the process of doing the cleanup, discussions ensued about the compensation of those serving on the Board. He understands that typically when people serve on a Board their HOA fees are discounted. This would have to be authorized by the entire Ranch Owners Association, but he felt it was something to consider. There is a lot of expense involved in attending these meetings and he believes that is one reason why they have difficulty finding people to sit on the Board.

Mr. Foster remarked that the bylaws specifically state that compensation is not allowed. He suggested that they could revisit the bylaws or find a way to work in a discount of some type. Someone suggested the possibility of a per diem. Mr. Foster stated that even though compensation is not allowed, they should be able to reimburse expenses. Mr. Hutchinson thought that reducing the dues by as little as \$50 could entice more people to be interested in running for the Board. Mr. Foster suggested that they re-read the bylaws to see if there is a way to get around the issue of no compensation.

Sue Larsen recalled that several years ago the area reps and Board members were paid \$20 per meeting. Mr. Foster did not believe that would have been for the Homeowners Association. Mr. Heath believed that was prior to the writing of the new bylaws. Mr. Burdette commented on the costs incurred for mileage and suggested a mileage reimbursement. Mr. Foster preferred to consider reimbursement rather than deal with the compensation issue.

### **Water Board Update**

Mr. Heath reported that the Water Company had held their annual meeting. He noted that the project is essentially finished and he had copied down what they had accomplished. From a budget of \$3.7 million, which is what they were told to anticipate, they are just under \$3 million.



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They now have fire flow with the exception of a few people in I-Plat. They put in 60,000 feet of new water lines, 135 new hydrants, and they stopped 2 million gallons per year that was going down the drain. Mr. Heath stated that starting this year, if an owner is a year late on payments they will be sent to collections. They are also going to start removing water meters. He reported that Bobcat was shut off because people who are not part of the Ranch are taking water. Bobcat and the gravel pit will be the last of the super leaks and both are now off.

Mr. Heath summarized that the project came in under budget and they are entering a maintenance phase versus a construction phase. Mr. Foster noted that every property is within 250 feet of a fire hydrant as required.

MOTION: Sue Larsen moved to adjourn the meeting. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

The meeting of the Pine Meadow Ranch Owners Association adjourned at 8:33 p.m.

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