

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
BELL'S SINCLAIR
DECEMBER 28, 2010

In Attendance: Hutch Foster, President; Bob Burdette - Treasurer; Suzanne Larsen, Secretary; Amy Jackson, Tom Deaver

Alan Powell, Bruce Hutchinson, Scott Clausen, Scot Erickson, Duane Yamashiro were excused.

Hutch Foster called the meeting to order at 7:03 p.m. He noted that the meeting was being held at Bell's Sinclair since they were unable to get into the building at Trailside. The Board stayed at Trailside until 6:40 p.m. and then moved to Bell's Sinclair.

Because they lacked a quorum, the Board met in executive session to conduct required business.

Approval of Minutes

The minutes were tabled until the next meeting.

New Business

Mr. Foster reminded everyone that the next meeting would be January 25, 2011 at a library location in Sandy. Ms. Larson would send Mr. Foster an email with the exact name and address of the library. Mr. Foster noted that nightly rentals would be the primary discussion for the January meeting.

Mr. Foster reported that Dan Heath had called him offering a proxy vote to approve paying the bills. Mr. Heath's vote would give the Board a quorum of six voting members.

Ms. Jackson thought the annual meeting was well facilitated. Mr. Foster was pleased that the Board had avoided negative discussions by addressing the issues more objectively. He was not disappointed with the smaller turnout, however, he would like a higher level of participation from people volunteering to do things on the Ranch.

Manager's Report

Mr. Foster noted that Jody Robinson spends several nights sleeping at the Ranch when the forecast indicates that he might not be able to get back to the Ranch in the morning.

Mr. Foster reported that Jody quickly ran out of snow storage room. The banks are as high as they would be in March in most years. Jody has been struggling with the chains on the grader. Mr. Foster noted that the chains for the grader were old and needed to be replaced. Mr. Burdette agreed. Chain pieces have been purchased for repairs, but

they had not purchased a full set of chains for several years. Mr. Foster stated that once the tire size was changed, the chains never fit properly. Jody was pushing the banks back last week to get ready for the next series of storms, and the chain disintegrated. The grader was stuck at Boyce's Corner for two days. Jody pieced together what he could to make two chains and moved the grader out of traffic and down to Oil Well Road. Jody ordered a new set of Industrial H style chains that were delivered on Friday. Mr. Foster noted that the chains were approximately \$1700. He assumed they had not yet received that bill. Mr. Foster told Jody that chains were a maintenance item and he did not need to wait for Board approval before placing the order.

Mr. Foster noticed that the grader was back at the gravel pit and he expected that Jody would be pushing back the banks prior to the next snow storm.

Mr. Foster reported that a new plow was put on the dump truck this year. When they purchased the dump truck they knew the plow was a lightweight version and would have limited utility. It lasted a season and a half before they had to purchase a new one. The cost of the plow was approximately \$6700. Mr. Burdette noted that the new plow was much heavier than the plow that came with the truck, and it is much better for what they need on the Mountain.

Mr. Foster noted that the weather cooperated and Jody was able to have Christmas Eve and Christmas day off this year. He received his bonus check on Christmas Eve.

Monthly Budget Review

Mr. Burdette noted that the Association had \$55,529 in cash, prior to paying the bills this evening. The bills presented for payment totaled \$24,790. That amount did not include the chains for the grader, but it did include the new snow plow. Mr. Burdette noted that once everything is paid, there would be a \$30,000 reserve. He stated that the statements for the new year would not go out until mid-January, therefore, money would not begin to come in until February. Mr. Burdette was comfortable that there was enough money to cover their expenses until they start receiving new money for 2011.

Mr. Burdette pointed out that this year the Association did major asphalt work on the lower part of Forest Meadows, they purchased a roller, replaced a snow plow, and will have new chains for the grader. Mr. Deaver noted that road base was also placed on Windy Ridge. Mr. Burdette felt the Board had accomplished a lot with the money they had. His concern was repeating what happened three or four years ago, when they had no money left in December to pay anything. The Owners Association had to borrow \$38,000 from the Water Company to get through the end of the year. That loan was paid back and they were going into 2011 with a \$30,000 surplus.

Ms. Jackson asked if dues had been increased to make up the difference. Mr. Foster replied that dues have not been raised for four years. Mr. Deaver commended Mr. Burdette for managing the money very closely and very well. Mr. Burdette replied that it was a team effort, because it would be easy for the Board to override his recommendations throughout the year and vote on something that would jeopardize their financial position.

Mr. Deaver asked about the \$8,420 charge from Capital One. Mr. Burdette clarified that \$6,700 of that amount was for the snow plow.

Ms. Jackson asked if the additional snow plowing required this year would use up the \$30,000 surplus. Mr. Burdette expected to use some of that money for snow plowing, but he did not believe it would consume the whole amount. They would also have to use some of that money for expenses in January, but he still expected to have money left going into February. Mr. Foster asked for the balance in the emergency account. Mr. Burdette replied that \$71,350 is held in an emergency fund.

Mr. Deaver asked about the entire annual budget. Mr. Burdette stated that the budget for 2011 presented at the annual meeting was \$197,500. Mr. Deaver thought it would be good for the Board to have a multi-year ongoing goal to develop a 6 month reserve fund. Mr. Burdette replied that not spending money would be the way to build up a reserve fund. Therefore, they would not be working on roads or making repairs. Mr. Foster pointed out that if necessary, they could possibly run the Ranch for six months on the money in the emergency fund. Mr. Deaver was concerned about gas and diesel prices increasing over the next few years. He suggested that the Board do some pre-meditated planning to increase the amount in the reserve fund, without giving up road maintenance. Mr. Foster agreed with the idea. However, he suggested to wait until they reach the point where revenues are coming in, and then look at the balance sheet to decide how much they should add to the fund.

Unpaid Bills

Mr. Burdette reviewed the unpaid bills.

MOTION: Bob Burdette made a motion to pay the unpaid bills in the amount of \$24,790 as outlined. Tom Deaver seconded the motion.

VOTE: The motion passed unanimously. Dan Heath voted by proxy.

Miscellaneous Business

Ms. Jackson stated that when she visited Illinois for Thanksgiving she saw roads that were done with oil and gravel. They were wonderful to drive and had a surface similar to blacktop. Mr. Deaver stated that the process was called tar and chip, and it would not work on the Mountain because the roads are too steep. Mr. Foster stated that he grew up on an oil and gravel road that was very steep. However, because of EPA issues with oiling roads, the town where he grew up had to stop oiling the roads and changed to asphalt. If someone was motivated to do the research, he thought it would be interesting to research the tar and chip process and whether it was allowed in Summit County. Ms. Jackson clarified that she was looking for an alternative to the amount of money they spend on roads. Mr. Foster agreed that they do spend a lot of money on roads, but if they had 33 miles of paved roads, the maintenance cost would be much higher because paved roads are more expensive to maintain. Mr. Foster noted that a benefit to oil and gravel roads is that they shed water and tend not to pothole. Ms. Jackson stated that she may take the time to research the matter.

Checks

Mr. Burdette informed Carol that he was sending her checks with only one signature, and that she was authorized to add the second signature so the bills could be paid. Mr. Foster stated that Carol was given that authorization with the same proxy from Dan Heath, by which he voted to approve the bills.

The meeting of the Pine Meadow Owners Association Board adjourned at 7:45 p.m.
