

## Brian Head Village Homeowners Association

### Annual Meeting

Saturday, July 6, 2024, 10:00 a.m.

The Meeting was called to order by President Rick McGough at 10:02 a.m. Rick had a few opening statements.

### Pledge of Allegiance - All

### Quorum Establishment, Bev Noyce (50% + 1, 84 units)

- Bev Noyce performed the roll call. No quorum was established given that only twenty (20) units of the forty-three (43) are necessary. Since there were no matters before the members for voting, the meeting continued.

### Projects Update, President Rick McGough

- **Windows:** The window replacement project is complete. One owner stated that their screens don't seem to fit the existing fixtures. ACTION: Scott will address this issue.
- **CCRs:** The CCRs in their current form are extremely outdated. They were drafted in 1972 when the original buildings were constructed. They reflect a total of only twenty (20) units whereas we currently have a complement of eighty-four (84) units. Rick is in the initial stages of working with a law firm to get this done.
- **Spa:** Rick – A question was raised with regard to the spa. The spa has experienced several issues within the past year or so. The spa itself has aged and with the wear and tear it has experienced, it will need to be completely replaced. As with a great many projects, identifying contractors willing to both provide bids as well as to travel up the mountain has been difficult. Scott stated that the jacuzzi is in working order. Given the issue with the spa, it was stressed that owners who rent should make this fact known to potential renters in order to alleviate complaints. An owner asked about obtaining codes for the spa/jacuzzi area and was instructed to contact Scott for their individual code.
- **Parking Lot:** Rick – It is time to reseal the lots. This must be done every three years. For the period of **August 5th through 8th**, access to the lots will be blocked. The actual sealing will take place on August 6-7, weather permitting, to clean and seal them. It was noted that when original paving was being done, some renters moved the cones in order to park on the graded lots. While we attempted to contact owners in order to have these cars moved, this proved both difficult and interfered with the ongoing work. With the coming resealing, we don't have the time or resources to reach out to individuals. As a result, anyone parking in any of the parking lots during this project will be towed. The paving company will once again block off the entrances/exits to each lot which should notify all. It was stressed that owners who have renters during that period should make it clear that they should find alternate parking locations during this period.
- **General Maintenance:** One owner stated that there is serious growth of weeds, etc. as well as a certain degree of issues regarding paint, exposed wood, etc. and asked if there is a plan to address these areas. Rick stated that, as with all things, we seek to identify and address all issues that arise. We are making every effort to remedy all noticed items as quickly as possible. Vickie, Bev, and others went through the buildings to check for issues. One owner had sent photos and descriptions of some areas that need attention. This is extremely helpful as the board cannot maintain a constant vigil with regard to all aspects of

the development. We need everyone to assist in identifying and reporting issues as they arise.

- **General Conduct:** Rick reminded the group to please remember that we are volunteers who are paid nothing to perform the functions of the board. At various times, some owners are extremely aggressive and demanding when reporting an issue. We are all in this together and it serves to reason that we treat each other with respect.

#### **Financials, Treasurer Vickie Hicks**

- Vickie passed out the financials, June 30 statement, which is end of 2023-24 fiscal year, as well as the projected budget for the 2024-25 fiscal year. The end of year is done. We continued to be on solid financial ground. As previously noted, we have paved the parking lots, put in new windows, put in new roofs, painted the buildings, installed grills and fire pits, replaced, or added concrete. It was stressed that for the coming year we are focusing on repair and maintenance rather than seeking large-scale projects. If anyone has questions regarding the finances, please contact Vickie.
- Rick emphasized that Vickie has done a phenomenal job with expenses. Some large expenditures, i.e., roof replacement, parking lot paving, new windows, building painting have diminished our reserves. Currently, our reserves stand at \$122k. While we prefer to be in a better financial position, Rick stressed that our current standing is more than the reserves of other local associations in Brian Head.
- **CCRs:** One owner asked if the CCRs contain a requirement as to minimum reserves. The answer is no. Only conscientious and diligent fiscal oversight is necessary. As noted, the CCRs need to be updated.
- **Water Heaters:** Rick – Owners have had water heater problems. An owner asked if the vendors could check the water heaters. This would result in a sizeable cost to recruit someone to check them all. It falls to each owner to be vigilant regarding their own units. Rick said he has had his water heater for over 10 years with no problems occurring. He added that this does not mean that it shouldn't be replaced and is looking into that.

Rick mentioned that within the past several months he had been exploring the possibility of a large-scale project wherein all qualifying water heaters would be replaced. The cost of this proposed initiative would be around \$130k. Vickie as treasurer made it clear that Rick was sufficiently slowed down (see: denied) in this area. As a result, he encouraged all to take a hard look at your heaters. One owner provided that she had replaced her water heater but that it proved extremely difficult given that her unit is one that has the water heater located under her kitchen counter which requires the removal of her stove in order to provide access. Another owner asked about the general lifespan of water heaters. Rick stated that it typically is less than ten (10) years.

Another owner stated that she replaced her water heater with a brand called Rheem Gladiator. This water heater carries with it the ability to communicate with the owner through a phone app. It is capable of notifying her when there is a leak as well as having an automatic shut-off feature in the event a leak is identified. One owner stated that their water heater was over twenty (20) years old, and they replaced it.

Another owner replaced her water heater but added that they are not here enough to continually check it. As a result, this owner and others inquired as to the make and model of the previously referenced Rheem water heater. **ACTION:** Rick made a note to do some research as to the availability and price of this item and will communicate with the association members when his research is completed.

## Financials Cont'd.

- Rick asked if there were any additional financial questions. There were none. The bottom line is our financial status is sound; however, we as a board are not comfortable with the level of reserves compared to past years.
- **Dues:** Rick provided an overview of where we stand with regard to the amount of dues we collect. The last dues increase was in 2011. Additionally, in 2018 everyone's dues were lowered by six percent (6%). Rick and Vickie have consulted with an accounting professional who provided comparative data with regard to the dues levels of other associations in the Brian Head area. An analysis was conducted relating to neighboring associations with the average dues for four (4) of the associations cited as \$402.63, \$479.44, 472.35 and \$381.22. Our current average is \$318.36.

Additionally, it was discovered that many of the local associations have a built-in annual increase in dues ranging from 3-6%. Rick stated that while this approach makes sense given a cost-of-living approach, we choose not to do pursue something along these lines as it can become prohibitive in cost. He added that we choose to accommodate the association's needs through sound and conscientious fiscal management.

As stated earlier, Vickie has done a phenomenal job, but we are not at a point wherein we need to address the growing deficit between income and our liabilities. It should be noted that, despite increasing the dues, we are still less expensive than many of the local associations. We have labored over this for some time now and in the end, this is a much-needed revision to the existing dues structure. The amount of everyone's dues is being increased by 9.95%. The net result of this action will result in each owner's dues increasing by approximately \$30 every month. This is not to say that the financial picture is troublesome. The simple fact is that two (2) years ago we had remarkably high reserves, but we utilized the funds to complete the large-scale projects that have improved the quality of life for the association.

**Open Discussion,** Attendees asked the following questions. Rick and others responded.

- **Firewood:** Rick - Some want to cancel the wood. The cost to ship is prohibitive. Those who do not rent out don't use a lot of wood. We have one individual who has been observed stealing wood. We have photos, and we've contacted the town Marshall. Apparently, the individual in question is a friend of one of the owners.

It was added by another owner that individuals from The Aspens have been taking wood as well. Wood is a sparse commodity; we want to take care of it. Wood was \$4,000 and has now increased to \$5,500. We could have embedded this into the overall increase (11.17%) but prefer to be transparent with regard to financial information. Gas fireplace owners are exempt. Renters put a strain on the wood, spa, and other amenities. One owner stressed that renters with Airbnb come and go. They are loud, disruptive, broken bottles in the spa. Ultimately, the owners are responsible for their renters. The question was raised about possibly putting a gate and lock on the wood enclosures? Rick – Possibly retrofit the existing wood storage structures to allow for secure storage, or as an alternative, we would need to reconstruct storage which requires major construction.

One owner is in the business of fire protection and stated that the current structures are both a risk and not within code. The construction of the development and its attachments are grandfathered in in that they were completed prior to codes of this nature. This and the

issue of the wood supply itself will be the subject of ongoing discussions. An owner asked if they could bring up their own wood. Rick – The short answer is no as the cost, storage requirements as well as carrying it up so many flights of stairs would be prohibitive. Another owner asked Scott if we could get midterm shipments of wood? Scott said no.

- **Parking:** The Aspens, parking in our spots, leaving. We can't confront the people. What is the solution? ACTION: Rick - We are researching a variety of remedies. The answer currently is to install the no parking signs, and again attempt to distribute the parking placards for placement in the vehicles of BHV residents.
- **Renters:** Rick wanted to clarify for the record that neither the Bylaws nor the CCRs contain any language relating to rentals. The stated intent of both documents is aimed at solely the owners and their enjoyment of the amenities. There was never any intention that units would be rented out; and more importantly, there is no guarantee that any of the amenities are promised or guaranteed to renters. As has been discussed, renters place an undue burden on the various amenities, i.e., spa, jacuzzi, firewood, laundry, etc. The board has continued to discuss this and there are three (3) options with regard to owners that choose to rent their units: Charge a monthly surcharge; charge a surcharge based on the number of rental days within any given month; or to simply ban renters from using the amenities. Given the ongoing issues, we continue to discuss viable options. Other associations are paying more money for fewer amenities.
- **Insurance Rates:** We continue to experience and increase in the rates we pay annually. Rick - We are ahead of the game, but it is a reality.
- **Cable and Streaming:** Rick - Is cable still valuable? Owners said not really. CenturyLink is used. Across the highway is high-speed internet, but not where we are. Scott - South Central is across the street. It was pointed out that cable is the only service some owners have. It costs \$25k per year for cable. An Owner asked if streaming is viable? Yes, but some cannot stream due to the unreliability of the service. Rick – While we continue to look for enhanced internet services, there are no plans to do away with cable, as some are still using it. Owner – Asked about satellite, HughesNet, etc. Rick – These services are only used a lot a few times during the year. There are glitches, but we're letting you know what we're thinking about. Vickie – We could trade cable for better internet. Owner - Don't know about Starlink, not sure if it would work here, but it's possible. Vickie - If anyone wants to know the new pricing, it will be available in Aug. Owner - Does a new form need to be signed? Vickie - No. Rick - Our accountant is so great to work with. They say we're in better shape than other associations. Owner – Our focus now should be on maintenance and upkeep. Fixed sump pump in building J, kudos to that person, but it needs to be hard piped and drained out to another location. Look at grading around the building. Sump pumps are a solution, but grading is needed around the buildings.
- **New Local Activity:** An owner asked about the possibility of planned community/ies here in Brian Head. Rick stated that he has heard of two (2) master planned communities that are being discussed as well as a possible filling station in the area of Apple Annies/Navajo. One owner referenced the previously surfaced topic of the former restaurant being utilized for an ATV/Snowmobile Rental business. Rick – We've been resisting that with city hall. We participated in the conference calls conducted by the planning commission. It appeared based on the discussion that the decision was already made to approve the venture and the participation by various associations was done as a courtesy. However, in spite of the approval, there has yet to be any business of the proposed nature conducted on that site. It continues to be used for laundry and house cleaning supply storage.
- **Website:** Rick – We are looking to enhance the website in order to make it more informative and functional. Working with a few entities in order to obtain bids for the creation of a more

interactive site. We would like to be able to post notices that automatically go out to everybody. We are all doing the best we can.

- **Construction Materials:** Owner - Constructions materials are scattered around the complex. This is being addressed. Vickie – We walked around the complex. Those who have messy patios, please clean them up.
- **Roofing:** Owner - When will that be completed? Vickie – We need a lift for the high roofs. The lift is necessary to reinforce some of the chimney caps in order to prevent leaking. Scott is currently looking to reserve a lift. Wait times are inordinately long. Rick – While we are intent on completing the remaining buildings, they will have to wait until such time as the reserves have been replenished. Bids become stale. Getting contractors up here is not easy. We experience, much like other associations and individuals, issues with identifying contractors that are both available and willing to come up on the mountain. We've solicited three bids, and no one has responded. Owner - What is being done with the roofs in L5 while we are waiting? Rick – We are trying to get it done ASAP. Owner - Which buildings have not had roofs replaced? Rick - Seven. (Scott was not available to comment.) We are trying to get it done at once, but we must wait for the availability.
- **Next Meeting:** Owner - What if our meeting is not on July 4? Rick - We never get a quorum. Not enough people attend these meetings. Owner - When are the new dues charged? Rick – Effective August 1, 2024. Owner - When is the next meeting? Rick - July 5, 2025, or we could do it mid-year. Any suggestions on other dates/times? We will solicit input from the association members with regard to possible times of the year that are more convenient.

The meeting was adjourned by Rick at 11:14 a.m. The meeting minutes were prepared by Bev Noyce, Secretary.