

SUNBURST RANCH

OWNERS ASSOCIATION

SUNBURST RANCH OWNERS ASSOCIATION DRAFT — ANNUAL MEETING MINUTES

Sunburst Ranch Owners Association

Annual Membership Meeting

Date: June 11, 2025

Time: 6:00 PM MDT

Location: Via Zoom (virtual meeting)

Board of Directors

Doug Cronquist

Scott Karr

Jeff Chevalier

K&K Property Management

Jennifer Booth, General Manager

Wade Street, Director of Maintenance

Adam Payne, Community Manager

Colby Gertsch, Community Manager

Owner Attendance & Quorum

Members represented in person or by proxy: 18

Total units represented: 18 of 41 (43.9%)

Quorum requirement: 16 units (40% per the Bylaws)

Quorum was established.

Call to Order

Scott Karr, Sunburst Ranch Owners Association Vice President, called the meeting to order at 6:08 PM MDT.

Establishment of Quorum

Jennifer Booth, K&K Property Management, conducted a verbal roll call and reported that 18 of 41 units were represented in person or by proxy (43.9%). The quorum requirement of 16 units (40% per the Bylaws) was met and quorum was established.

Approval of Agenda

Jennifer Booth reviewed annual meeting procedures with attendees, noting that — unlike a regular Board meeting — all homeowners were welcome to participate in discussion, make motions, second motions, and vote. The agenda proceeded as distributed; no formal motion to approve the agenda was made.

Approval of 2024 Annual Meeting Minutes

Doug Cronquist motioned to approve the minutes from the 2024 Annual Meeting; Melissa M. seconded.

Final: All members present voted in favor by voice vote; none opposed. The 2024 Annual Meeting minutes were approved.

Financial Report

Doug Cronquist presented the financial review with Jennifer Booth displaying the supporting documents. Key items reported:

- The Association transitioned from Bridge Street Property Management to K&K Property Management in November 2024. New accounting and HOA management systems are being implemented; 2024 totals are accurate, though some categorizations are being reclassified under the new system.
- The 2025 budget projects \$96,000 in regular assessments (based on 42 lots, of which only one new lot has sold this year — the full amount may not be realized).
- The 2025 budget projects \$92,618 in expenses, leaving a projected surplus of approximately \$5,000.
- 2024 actuals: budgeted \$114,000; actual spend \$82,000; net surplus of approximately \$14,000, with a portion attributable to projects rolled into 2025.
- The Association charges a \$600 transfer fee (three months of dues) rather than the 0.5% reinvestment fee permitted under Utah law. The Board has elected to maintain the lower flat fee given the well-funded reserve position; the fee offsets administrative costs of ownership transfers.
- Approximately 67% of HOA fees go to property upkeep (landscaping and snow removal). The Spectrum landscaping contract is \$51,000 (56% of the total budget). Additional upkeep includes common-area repair, sprinkler maintenance, and tree and shrub planting.
- The Association carries three insurance policies: Directors & Officers (protecting Board members from personal liability), House & Commons general liability (covering injuries on Association property), and Crime insurance (required because of the use of professional management). Crime insurance increased from approximately \$2,100 in 2023 to \$2,800 currently.
- A capital reserve study is required every six years. The most recent full study was completed in 2023, with a midpoint review required in 2026 and the next full study in 2029.
- The capital reserve balance is \$182,000, representing 125% of the fully funded level.
- \$16,500 has been budgeted in 2025 for street light fixture replacement, required to bring the community into compliance with dark-skies requirements. Bids have been received and contracts are being finalized.
- Concrete repairs are planned for uneven sidewalks using diamond-saw cutting technique.

- Monthly capital reserve allocations from the operating account were temporarily paused during the banking transition; allocations will resume by July.

Insurance Update

The Association previously paid home insurance for all properties at approximately \$10,000 per year. Following claims related to ice damage and increased wildfire-risk premiums, renewal quotes increased to over \$150,000 per year, making group coverage economically unfeasible. Carriers indicated that ice claims continue to affect rates for five years before reconsideration; even then, wildfire risk may keep premiums high. The Board also noted an equity concern, as newer homes (up to 8,000 sq ft) are significantly larger than original homes (3,500–4,200 sq ft), making shared coverage potentially inequitable. The Board's recommendation is for individual homeowners to maintain their own coverage. This will be formally addressed in the upcoming CC&R revisions for an eventual owner vote.

Owner Portal and Communication

Jennifer Booth reported that K&K Property Management has implemented an owner portal serving as the community's primary platform for online payments, document storage (CC&Rs, meeting minutes, financial statements), and homeowner communication. Most homeowners have registered. Owners not receiving communications were encouraged to contact K&K, as some email addresses transferred from the prior property manager may be incorrect. The portal supports email notifications for unregistered owners and an opt-in text-message channel for emergency notifications (e.g., water shutoffs). Alternative communication methods remain available for owners who do not use a computer.

CC&R Revisions Update

Jeff Chevalier reported that he met with the Association's attorney on May 15, 2025 to discuss CC&R revisions. The attorney is preparing a first draft of suggested revisions, expected within two to four weeks. The CC&Rs are significantly out of date — originally written in the early 2000s, with Utah HOA law amended three times since, including substantial revisions in the most recent legislative session. The current CC&Rs also contain ambiguous sections, including conflicting language regarding exterior maintenance responsibilities.

The agreed review process: Jeff Chevalier and Doug Cronquist will review the attorney's draft and request further revisions if needed, then distribute it to the full Board, followed by community-wide review and an owner vote. K&K Property Management will prepare a summary document highlighting all significant changes to help homeowners review the revisions, and will host open Q&A sessions. Legal fees of \$10,000 are budgeted in 2025; the attorney contract is currently \$4,800, with the higher budget allowing for additional work if owner disputes arise during the review process.

Architectural Policy

The architectural policy is posted in the owner portal. Homeowners are required to submit an application for any significant exterior work, including painting, roof replacement, and other exterior changes. Applications may now be submitted directly through the portal. Maintenance work that is like-for-like (e.g., resealing a concrete driveway without changing color) does not require a formal application, although informing K&K Property Management is recommended.

Seasonal Owner Reminders

Jennifer Booth shared a set of seasonal reminders for homeowners:

- Pet waste must be picked up by the owner. This is a Midway City ordinance.
- Dogs must be leashed at all times in compliance with Midway City ordinance.
- Irrigation issues (wet spots, dry patches, broken heads) should be reported through the owner portal so they can be addressed promptly.
- Exterior project applications must be submitted through the architectural application form in the portal before work begins.

Property Maintenance and Volunteer Recognition

Jeff Chevalier recognized owner Murray Mahoney for volunteering to repair and stain damaged fence sections on the west end of Swiss Alpine Road, saving the Association the cost of contracted labor. Doug Cronquist noted that owner volunteer maintenance, together with the annual fall staining event, has significantly extended the useful life of the fencing — the capital reserve study previously projected fence replacement at a substantial cost, which the community has been able to defer. Approximately \$10,000 was saved two years ago through volunteer fence repairs. The Board expressed appreciation to all volunteers who have contributed to fence maintenance.

Phase 3 Status

Doug Cronquist and Jeff Chevalier provided an update on the Phase 3 land. The property is currently zoned as agricultural land for tax purposes; alfalfa is cut and baled, and the irrigation system maintained, by Randy Lundin, who owns the adjacent farm to the north. The original owner of the Phase 3 land passed away approximately two years ago, with ownership transferring to his son. House plot designs for Phase 3 were approved by the City around 2010 and are visible on the HOA website. A developer approached the Board in fall 2024 about potential changes; the Board indicated willingness to work collaboratively, noting that some originally planned elements are no longer desirable. The property is currently listed for sale, with no active development push at this time.

Election of Directors

Jennifer Booth, K&K Property Management, administered the election. She explained that the Association's CC&Rs establish five (5) directors as the core Board size, with a Bylaw provision allowing expansion to seven (7) members upon owner vote. The Board had previously grown to seven members without formal ratification by the owners; this election would correct that

oversight. Two voting questions were placed on the ballot: (1) Board size — five or seven members, and (2) Election of directors by ranked-choice vote.

Candidate introductions:

- Trey Christy, Lot 27 — community member since 2024.
- Melissa Mendez, Lot 32 — five-year resident.
- Judy Olin, Lot 31 — previously served on the Board.
- Becky Yih, Lot 18 — one-year resident.

Balloting:

Voting was conducted via a Zoom poll during the meeting, with proxy ballots submitted prior to the meeting also counted. Owners ranked the four candidates 1–4 (1 = highest preference). Under the framework described by management, if the membership approved a seven-member Board, all four candidates would be elected, with the candidate receiving the lowest ranking serving the one-year term (filling the seat vacated by a Board member who had resigned mid-term); the other three would serve two-year terms. If the membership approved a five-member Board, only the top two ranked candidates would be elected.

Results:

The membership voted to maintain a seven-member Board. All four candidates were elected:

- Trey Christy — three-year term
- Melissa Mendez — three-year term
- Judy Olin — three-year term
- Becky Yih — one-year term (filling the unexpired term of a previously seated Board member)

The newly elected directors join the three continuing directors (Doug Cronquist, Scott Karr, and Jeff Chevalier) on a seven-member Board. Officer positions will be elected by the new Board at a follow-up meeting.

Open Forum

Owner discussion took place throughout the meeting, consistent with annual meeting procedure. Topics raised by homeowners included:

- Quorum calculation and total units represented.
- Inconsistencies in property tax assessments across homes in the community.
- Irrigation system maintenance, sprinkler-head reporting, and operation of the Rain Bird controllers.
- Phase 3 land status and potential future development.
- Architectural application process and the distinction between formal applications and like-for-like maintenance.

No additional formal business was brought before the meeting.

Adjournment

There being no further business, Doug Cronquist motioned to adjourn at 7:07 PM MDT; Jordan Olin seconded. All members present voted in favor by voice vote; none opposed. The meeting was adjourned.

Minutes Respectfully Prepared by:

Jennifer Booth

K&K Property Management