

Townhomes at Crail Ranch

PO Box 160099 Big Sky, MT 59716

Annual Owner's Meeting
Wednesday, January 4th, 2017 at 10:00 am (MST)
Big Sky Water & Sewer District Conference Room

MINUTES

Welcome and Introductions

Due to the passing of President Al Hassman, Scott Hammond led the meeting. Hammond called the meeting to order at 10:00 am.

In attendance were the following owners: George Bray of unit 90, Bob Cundey of unit 60, Bill and Josie Erickson of unit 65, Jeff and Nancy Cranford of unit 125, Ronald and Nancy Kurz of unit 10, Vince Meng of unit 20 (via conference call), and Charlie Callander of unit 30 (via conference call). Also in attendance were Rich Lindell, CPA of Lindell and Associates as well as Scott Hammond, Ryan Welch, and Michelle Everett of Hammond Property Management.

Determination of Quorum

A quorum was established with 58% of the membership represented in person and via proxy.

Approval of 2015 Annual Meeting Minutes

Bill Erickson made a motion to approve the 2015 Annual Meeting Minutes as presented. Cundey seconded the motion. All were in favor, and the motion carried.

Financial Report, Treasurer's Report, and Proposed 2017 Budget

Lindell presented the Financial Report, beginning with the balance sheet. He noted that the Association had \$245,000 in cash, approximately 90% of which was in interest bearing reserve accounts. All owners were current on assessments on the date of the meeting. He noted that there was a surplus of over \$20,000 in the operating account. He then discussed the fund balances. He stated that \$12,726 was spent out of the betterment reserve line item which was used to replace log railings around campus. This brought the fund to \$18,857. \$3,800 was spent out of the sealing fund to address some sinking aprons. \$26,000 was added to the roof reserve, bringing the balance to \$203,990. Lindell then discussed the budget to actual. He stated that the administration and maintenance sections of the budget were performing well. Josie Erickson asked Hammond to explain what his company's management of the complex consists of. Hammond explained that HPM's duties included administrative support, meeting preparation, scheduling fire suppression and chimney inspections/maintenance, oversight of contracted services, shoveling, budget preparations, and many other exterior maintenance items. The group then discussed the log railings around campus. Welch stated that the units that were done in 2016 were in the worst shape, but all the railings would have to be replaced at some point. Lindell then presented the proposed 2017 budget. He noted that the administrative expenses would go up slightly, but would be covered with the current surplus. Additionally, the maintenance budget increased, mainly due to increases in trash service and lawn maintenance. Hammond agreed to look into another trash company to reduce the cost of trash removal. The group discussed whether or not to increase the budget and, after discussing painting that should be done in 2017, agreed that the proposed increase of \$3,640 was acceptable due to the anticipated increased maintenance costs.

Bray made a motion to accept the Proposed 2017 Budget as presented. Bill Erickson seconded the motion. All were in favor and the motion carried.

Manager's Report

Hammond and Welch presented the Manager's Report. Hammond began by stating that Hassman was a wonderful president to work with and will be sorely missed. He also addressed the sub-par landscaping maintenance performance in 2016. He stated that due to difficulty in staffing, he would like to hire a subcontractor to take care of landscaping on campus. Hammond then discussed the landscaping beds. He stated that the plastic edging was replaced with metal edging on several beds, and would like to finish the rest of the beds in the spring. Josie Erickson would like plants that

require less maintenance to be planted in the beds. Hammond will work with the board to get bids from local landscaping companies. Welch then discussed some highlights from the past year. He noted the following items: minimal roof shoveling was required, each unit's fire extinguisher was replaced, new log railings were installed, loose stones were repaired around campus, a blown transformer was addressed, some rotten siding and roof flashing was replaced, some trees were added, some concrete aprons were repaired, the fire suppression system was inspected, and many other day to day tasks were completed. Josie Erickson thanked Ryan for the work he does on campus.

Old Business

Propane Tanks Continued

Cundey discussed the propane tank ownership issue. Cundey stated that Northern Energy has implemented a floating contract, and the cost per gallon was not significantly higher than what the local propane consortium has been paying. Due to the nominal potential savings, the group agreed it is not worth pursuing legal action on Northern Energy at this time.

New Business

Board Member Elections

Josie Erickson and Vince Meng were up for reelection.

Bill Erickson made a motion to reelect Josie Erickson and Vince Meng to another two-year term and to elect Charlie Callander to complete the remaining year of Al Hassman's term. Bray seconded the motion. All were in favor and the motion carried.

Josie Erickson stated that she was willing to serve as President of the Board.

Adjournment

The meeting adjourned at 11:20 am.

A board meeting was called to order at 11:20

Bray nominated Josie Erickson as President. Callander seconded the nomination. All were in favor, and the nomination carried.

Bray nominated Vince Meng as Vice President. Cundey seconded the nomination. All were in favor, and the nomination carried.

Bray nominated Bob Cundey as Secretary/Treasurer. Callander seconded the nomination. All were in favor and the nomination carried.

The board meeting adjourned at 11:26