

# Pines Condominiums Phase II

PO Box 160099 Big Sky, MT 59716-0099

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## 2014 Annual Owners Meeting

Thursday, August 28, 2014 @ 9:00 am

Big Sky Water and Sewer District Conference Room

### MINUTES

#### Call to Order

Presiding Officer, Walter Kobin called the meeting to order at 9:00 am.

Officers in attendance were Walter Kobin (I-2), and Jana Butler (J-3) and Douglas Crowther (J-1, via conference call). Participating owners were Peg Kobin (I-2), Richard & Karen Braun (I-1), Laurie Sheldon (K-4), Robert McCarty (L-4), Carie McKinney (L-2, via conference call), and Skip Radick (Developer). Also in attendance were Rich Lindell and Kyle Pomeranke of Lindell and Associates; Scott Hammond, Beth Hickey, Michelle Everett and Bethany Davies of Hammond Property Management (HPM).

#### Determination of a Quorum

Fifty percent of the membership votes are required to conduct the meeting; 92.85% of the membership votes were present from proxy and those present.

#### Developer's Report

Skip Radick provided the Developer's Report. They have sold the remaining property which will become the M building to local builder, Tyler Grupe. Construction is planned to begin in the spring of 2015. The three items that Radick was asked to complete during last year's meeting are now complete and Radick acknowledges responsibility for payment. Walter Kobin will meet with HPM and Radick to discuss correcting the grade and drainage issues behind the L building. Radick is available to answer questions 406-581-8747.

#### Approval of the 2013 Annual Meeting Minutes

Richard Braun made a motion to approve the minutes of the last meeting. Doug Crowther seconded the motion. All were in favor. None opposed. The minutes of the 2013 Annual Owners Meeting were approved.

#### Financial Review / Treasurer's Report and Proposed Budget

Rich Lindell, CPA, provided the Financial Report as of June 30<sup>th</sup>. He began by reviewing the Statements of Assets, Liabilities and Fund Balances. There was \$32,934 in cash which is up from the \$25,473 available at the end of the previous year. All owners are in good standing and are either current or have prepaid their assessments for the year. The total fund balance is \$33,502 which consists of negative \$18,351 in the operating fund and \$51,853 in reserves.

Next Lindell reviewed the Statements of Revenues, Expenses and Changes in Fund Balances. Across the top are the assessments by category for a total of \$40,975. Down the left hand side you can see the expenses by category through June 30, 2014. Across the bottom are the fund balances in each account. The Operating Fund began with \$5,028 and then \$26,466 was transferred out of the Operating Fund and into the Siding/Staining and Betterment Reserves, which

**THESE ARE THE DRAFT MINUTES, THEY WILL NOT BE APPROVED BY THE HOA UNTIL THE NEXT ANNUAL MEETING**

created a deficit of \$18,351 in the Operating Fund. Lindell also noted the \$680 that was spent for fencing around the trees to deter the moose. As of June 30, 2014 the total Fund Balance is \$33,502.

Then Rich Lindell reviewed Schedule 1. The schedule shows budget to actual expenses. The first three columns are the current year through June 30<sup>th</sup> and the far right columns show prior year information. The HOA is currently 75% of the way through the fiscal year. Lindell reviewed the expenses for each category.

Lastly, Rich Lindell reviewed the proposed budget for 2015, Schedule 2. The 2015 budget accounting for 14 units and the 2014 budget accounting for 12 units are both listed as a budget comparison. Dues for 2015 will remain at \$1000 per quarter per unit (\$4000 annually per unit). Overall the association is in a good financial position.

Doug Crowther made a motion to accept the Proposed 2015 Budget. Karen Braun seconded the motion. All were in favor; none opposed. The motion carried.

Walter Kobin thanked Rich Lindell for his report.

### **Property Manager's Report**

Scott Hammond provided the Property Manager's Report. There is a small section of road in the middle of Coniferous that will be repaired by K&M Construction; Skip Radick has offered to pay the bill. McCarty noted a dip in the end of the L-3 driveway; HPM will discuss this with Skip Radick.

Hammond Property Management has been managing Pines Phase II since 2006. Walter Kobin said that it has been a terrific relationship and the staff has always been very helpful.

### **New Business**

#### *By-Law Amendments*

Walter Kobin announced the need for two amendments to the By-Laws.

The first amendment would be to increase the number of members of the Board from three (3) to five (5). Laurie Sheldon made a motion to increase the number of members on the Board from three (3) to no more than five (5) members. Richard Braun seconded the motion. All were in favor. None opposed. The motion carried. There are currently three Board members. Karen Braun of unit I-1 has expressed an interest in serving on the Board.

The second proposed amendment is a specific regulation prohibiting the use of any fireworks at any time by any unit owner, tenant or guest. Richard Braun made a motion to include a specific regulation in the By-Laws prohibiting the use of any fireworks at any time by any unit owner, tenant or guest on Pines Phase II property. Bob McCarty seconded the motion. All were in favor; none opposed. The motion carried. A notice will be sent out to all owners regarding both amendments.

#### *Proposal for Installation of Caps for Post and End Beams*

Walter Kobin presented the proposal to install caps on the posts and end beams of the units. He presented options for either copper or tin. Copper costs more, but lasts much longer, will not rust, and will have the green patina from oxidation. Tin is cheaper, will need to be replaced and will rust over time. As Scott Hammond explained, the caps will prevent water from snow, ice and rain from sitting on the posts and end beams and will add five to ten years of life to

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the wood. HPM will get an estimate on the cost of copper as the prices fluctuate. Tin will cost roughly \$1,000 less than copper. The money to cover this will come out of reserves. Doug Crowther made a motion to empower the Board to decide on either copper or tin caps for the end beams and posts once they have gained more knowledge regarding the cost of the copper caps. All owners will be notified of the final costs before the installation takes place. Karen Braun seconded the motion. All were in favor; none opposed. The motion carried. Carrie McKinney requested the Board and HPM reach out to the new developer Tyler Grupe to request the caps become a part of the design for the M building.

*Proposal for Deck Staining of Buildings I, J, K*

The L building was stained recently, but buildings I, J, and K need to be stained again. EL Painting submitted an estimate to re-sand and re-stain the decks for \$1500/deck or \$15,000 for the three units. Laurie Sheldon requested a stain high in oil content; she has noticed that the current stain is mainly paint. Scott Hammond recommended a two year stain rotation of decks. Walter Kobin tabled any action on the deck staining until spring to allow HPM time to research an oil based stain and to acquire more bids.

*Rear Landscape Completion of Building L and Drainage Correction*

Walter Kobin discussed the rear landscape completion of building L. 46°North Landscaping has submitted a bid for \$20,000 to build a retaining wall, grate areas with river rock, to create a fixed retention border as well as to make the two drains subterranean to move water away from the L building.

Kobin then reviewed the 2013 discussion of the drainage issue along the K building. The Board and owners present discussed the urgency of remediation. The project was tabled until the spring of 2015 when HPM can monitor the area for one more spring season when the water table is at its height.

*Discussion Concerning Parking within Complex*

Please be considerate of your neighbors when visitors are parking on the property; make sure that residents have unrestricted access to their driveways.

*Snow Removal Contract*

Scott Hammond recently learned that the current snow plow contractor does not wish to remove snow from Pines Phase II or Pines Phase I any longer. HPM will be soliciting bids for the work and this could mean that the cost of snow removal will increase for 2015.

**Board Member Nomination and Election of Officers**

Judy Bohnenblust, Doug Crowther, and Walter Kobin are the 2014 Board of Directors. Walter Kobin nominated Karen Braun to serve on the Board. Walter Kobin made a motion to re-elect the current slate and to elect Karen Braun to the Board of Directors. Laurie Sheldon seconded the motion. All were in favor; none opposed. Judy Bohnenblust, Doug Crowther and Walter Kobin have been re-elected to the Board of Directors and Karen Braun is a new Board Member Elect for the 2015 year. Braun will become an official Board member when the By-Laws are changed to allow for no more than five Board members.

**Adjournment**

Laurie Sheldon made a motion to adjourn at 10:45 am. Karen Braun seconded the motion. All were in favor. None opposed. The meeting adjourned.

**PINES CONDOMINIUM PHASE II**

**FINANCIAL STATEMENTS**  
**As of June 30, 2014 and September 30, 2013**

**And**

**SUPPLEMENTARY INFORMATION**



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### **Accountant's Compilation Report**

To the Board of Directors and owners of Pines Condominium Phase II:

We have compiled the accompanying statement of assets, liabilities and fund balance of Pines Condominium Phase II Association as of June 30, 2014 and September 30, 2013, and the related statements of revenues, expenses, and changes in fund balance for the period ended June 30, 2014, and the accompanying supplementary information contained in Schedules 1 and 2 for the periods ended June 30, 2014, September 30, 2014, September 30, 2013, and September 30, 2015 which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Management (the board of directors) has elected to omit substantially all of the disclosures, the statement of cash flows, and the statement of comprehensive income required by generally accepted accounting principles. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the Pines Condominium Phase II Association's financial position and results of operations. Accordingly, these financial statements are intended solely for the information and use by Pines Condominium Phase II Association members and their Board of Directors, and should not be used by third parties or others who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about the future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. The Pines Condominium Phase II Association has not presented this supplementary information.

We are not independent with respect to Pines Condominium Phase II Association.

Lindell & Associates P.C.  
July 24, 2014

**Pines Condominiums Phase II**  
**Statement of Assets, Liabilities & Fund Balances**  
**As of June 30, 2014 and September 30, 2013**

	<u>June 30, 2014</u>			<u>9/30/2013</u>
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total Funds</u>	<u>Actual 12 months</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 32,943	\$ -	\$ 32,943	\$ 25,473
Due (to) from other funds	(51,853)	51,853	-	
Assessments receivable	375	-	375	0
Prepaid expenses & other	2,077	-	2,077	325
<b>Total Assets</b>	<u><u>\$ (16,458)</u></u>	<u><u>\$ 51,853</u></u>	<u><u>\$ 35,395</u></u>	<u><u>\$ 25,798</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ 893	\$ -	\$ 893	\$ 1,805
Deferred Revenue	1,000	-	1,000	-
<b>Total Liabilities</b>	1,893	-	1,893	1,805
<b>FUND BALANCE</b>				
	(18,351)	51,853	33,502	23,993
<b>Total Liabilities &amp; Fund Balance</b>	<u><u>\$ (16,458)</u></u>	<u><u>\$ 51,853</u></u>	<u><u>\$ 35,395</u></u>	<u><u>\$ 25,798</u></u>

**Pines Condominium Phase II**  
**Statement of Revenues, Expenses and Changes in Fund Balances**  
**October 1, 2013 through June 30, 2014**

	Operating Fund	Betterment Reserve	Driveway Reserve	Siding/Staining Reserve	Roof Reserve	Total
<b>Revenues:</b>						
Assessments	\$ 32,458	\$ 4,017	\$ 1,500	\$ 1,500	\$ 1,500	\$ 40,975
Special	0	0				0
<b>Total Revenues</b>	<u>32,458</u>	<u>4,017</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>40,975</u>
<b>Expenses</b>						
Total Administrative:	9,168					9,168
Total Maintenance:	20,203					20,203
<b>Reserves:</b>						
Betterments		0				0
Driveway/Road			0			0
Roofs				0	0	0
Landscape Project		2,095				2,095
Siding/Staining				0	0	0
<b>Total Expenses</b>	<u>29,371</u>	<u>2,095</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,466</u>
<b>Revenues in Excess of Expenses</b>	<u>3,087</u>	<u>1,922</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>9,509</u>
<b>Fund Balances, Beginning</b>	5,028	(680)	8,851	2,000	8,794	23,993
Fund Transfer	(26,466)	1,642		24,824		
<b>Fund Balances, Ending</b>	<u><u>\$(18,351)</u></u>	<u><u>\$ 2,884</u></u>	<u><u>\$ 10,351</u></u>	<u><u>\$ 28,324</u></u>	<u><u>\$ 10,294</u></u>	<u><u>\$ 33,502</u></u>

*SUPPLEMENTARY INFORMATION*



**Pines Condominium Phase II**  
**Schedule 1 - Budget to Actual Comparison, & Previous Year Actual**

	Current Year: as of 06/30/2014			Prior Year		
	12 Units Approved Budget 2013/2014	Actual YTD	(Over)/ Under	12 Units Actual Budget 2012/2013	Actual 12 Months	(Over)/ Under
<b>Administrative</b>						
Accounting	2,225	1,417	808	2,225	2,843	(618)
Insurance	10,100	7,680	2,420	9,000	10,106	(1,106)
Legal	0	0	0	0	0	0
Miscellaneous	325	0	325	325	0	325
Office Expense	250	71	179	250	121	129
S&D Resolution		0	0		0	0
Total	<u>12,900</u>	<u>9,168</u>	<u>3,732</u> 71%	<u>11,800</u>	<u>13,070</u>	<u>(1,270)</u>
<b>Maintenance &amp; Services</b>						
Building Maint	750	1,244	(494)	750	1,220	(470)
Chimney Maintenance	650	825	(175)	750	650	100
Fire Suppression Maint	3,500	4,338	(838)	3,500	6,926	(3,426)
Garbage	3,500	2,625	875	3,500	3,500	0
Landscaping	2,500	2,360	140	2,500	3,787	(1,287)
Management	6,000	4,500	1,500	6,000	6,000	0
Snowplowing	2,800	2,400	400	1,800	2,800	(1,000)
Snow Removal - Roofs	3,500	1,794	1,706	3,500	1,786	1,714
Contingency	1,900	0	1,900	1,900	0	1,900
Total	<u>25,100</u>	<u>20,086</u>	<u>5,014</u> 80%	<u>24,200</u>	<u>26,669</u>	<u>(2,469)</u>
<b>Total Operating Budget</b>	<u>38,000</u>	<u>29,254</u>	<u>8,746</u> 77%	<u>36,000</u>	<u>39,739</u>	<u>(3,739)</u>
<b>Reserves</b>						
Betterments	4,000	0	4,000	2,000	9,625	(7,625)
Driveway/Roads	2,000	0	2,000	2,000	0	2,000
Roofs	2,000	0	2,000	2,000	257	1,743
Landscaping	0	2,095	(2,095)	0	3,199	(3,199)
Siding/Staining	2,000	0	2,000	2,000	0	2,000
Total	<u>10,000</u>	<u>2,095</u>	<u>(2,095)</u> 21%	<u>8,000</u>	<u>13,081</u>	<u>(13,081)</u>
<b>Total Budget</b>	<u><u>48,000</u></u>	<u><u>31,349</u></u>	<u><u>16,651</u></u> 65%	<u><u>44,000</u></u>	<u><u>52,820</u></u>	<u><u>(8,820)</u></u>

**Pines Condominium Phase II  
Schedule 2 - Budget Comparison**

	<u>Current Year</u> 12 Units Approved Budget 2013/2014	<u>Next Year</u> 14 Units Proposed Budget 2014/2015
<b>Administrative</b>		
Accounting	2,225	2,500
Insurance	10,100	10,250
Legal	0	0
Miscellaneous	325	325
Office Expense	250	250
Total	<u>12,900</u>	<u>13,325</u>
<b>Maintenance &amp; Services</b>		
Building Maint	750	1,500
Chimney Maintenance	650	900
Fire Suppression Maint	3,500	4,000
Garbage	3,500	3,500
Landscaping	2,500	2,500
Management	6,000	6,000
Snowplowing	2,800	4,000
Snow Removal - Roofs	3,500	3,500
Contingency	1,900	2,775
Total	<u>25,100</u>	<u>28,675</u>
Total Operating Budget	<u>38,000</u>	<u>42,000</u>
<b>Reserves</b>		
Betterments	4,000	5,000
Driveway/Roads	2,000	3,000
Roofs	2,000	3,000
Landscaping	0	0
Siding/Staining	2,000	3,000
Total Reserves	<u>10,000</u>	<u>14,000</u>
Total Budget	<u>\$ 48,000</u>	<u>\$ 56,000</u>
Dues Per Unit Per Budget	\$ 4,000.00	\$ 4,000.00
Annual dues per Board	\$ 4,000.00	Propose \$ 4,000.00
Dues Per Unit Per Quarter	\$ 1,000.00	Propose \$ 1,000.00



[hpmmontana.com](http://hpmmontana.com)

**Pines Condominiums Phase II  
2014 Annual Owner's Meeting  
Management Report**

**August – November 2013**

- Engaged 46° North to shut down the drip lines.
- Cleaned out all the gutters.
- Hired Cornerstone Management Services to investigate a potential leak in unit I-2. Contacted Hussy Plumbing to repair the pipe.
- Removed a tree in front of unit I-2.
- Hired Scott Foley to remove a dead tree behind the L building.

**December 2013 – March 2014**

- Shoveled the fire hydrant out.
- Removed snow from all roof valleys and ice dams from I-1 and I-2.
- Hired IT&M to provide fire suppression tests.

**April – June 2014**

- Oversaw the spring landscape cleanup by 46° North, then hired them to maintain the grounds.
- Ordered and installed new “L” letters from Signs and Designs.
- Contracted Canyon Chimney Sweeps to clean the chimneys and document findings.

**July – August 2014**

- Double checked the screws on the deck of unit J-3. No heaving was found.
- BSWs lowered the water shutoff valves on the “L” building.
- Solicited Gallatin Valley Gutters to install new gutters on the “L” building.
- KM Construction to fill the asphalt hole near unit L-1 this fall. (To be paid for by the developer.)