

# Townhomes at Crail Ranch

PO Box 160099 Big Sky, MT 59716

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**Annual Owner's Meeting**  
**Wednesday, December 30<sup>th</sup>, 2015 at 9:00 am (MST)**  
**Big Sky Water & Sewer District Conference Room**

## MINUTES

### Welcome and Introductions

Al Hassman called the meeting to order at 9:00 am.

In attendance were the following owners: Alan Hassman of unit 55, Vince and Sue Meng of unit 20, Bob Cundey of unit 60, Mitch Toomey of Unit 68, Bill and Josie Erickson of unit 65, Ronald and Nancy Kurz of unit 10, and Marilyn Hoecker of unit 110. 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 78.8% of the membership represented in person and via proxy.

### Approval of 2014 Annual Meeting Minutes

Vince Meng made a motion to approve the 2014 Annual Meeting Minutes as presented. Cundey seconded the motion. All were in favor, and the motion carried.

### Financial Report, Treasurer's Report, and Proposed 2016 Budget

Lindell presented the Financial Report, beginning with the balance sheet. He explained that the Association was doing well regarding the budget performance for the fiscal year. Most of the Association's cash funds (\$224,830) were being held in an interest bearing money market account, with an additional \$26,794 being held in the association's checking (operating) account. As of the end of November, one account was in arrears. Lindell then discussed the budget to actual. He stated that the budget was performing as expected, and the Association would likely have a surplus at the end of the fiscal year. Lindell then discussed the proposed 2016 budget. Hammond stated that due to a change in IRS regulations, painting and staining costs should be considered an operating expense, rather than a reserve item. Lindell suggested moving the existing painting reserve (\$31,583) into another reserve item, and having a painting line item in the operating budget moving forward. The proposed budget included an increase of \$3,120 due to an increase in painting and staining costs for the coming year. After some discussion about the expected surplus, the group agreed to decrease the painting and staining line item to keep the dues flat.

Meng made a motion to move the \$31,583 from the painting reserve to the betterments and roof reserve, and decrease the paint/stain line item in the proposed budget by \$3,120 to keep the budget at \$156,755. Hoecker seconded the motion. All were in favor and the motion passed.

Bill Erickson asked if there were plans to address some of the privacy walls on the decks. Hammond stated that the egregious ones have been addressed. He explained that some work could be done out of the building maintenance line item, if funds are available. Hammond also stated that the handrails above the garage are now becoming a safety concern and should be replaced during the coming summer. The group agreed that some of funds from the painting reserve could be used for this project.

### Manager's Report

Hammond presented the Manager's Report. He began by elaborating on the needed handrail repairs. He explained that the handrails on the meadow side units on the balconies off of the upstairs bedrooms were dangerously loose in areas. Hammond has had difficulty getting bids on these repairs, but believes he should be able to schedule the repairs during the spring/summer of 2016. The group agreed that this should be an HOA expense. Josie Erickson asked about the railings on the large decks in the backs of the units. Hammond stated that those railings will need to be replaced soon as well. Nancy Kurz asked if it was possible to use some other, more durable materials. Hammond explained that using

different material would significantly change the aesthetics of the complex. Meng asked about how extensive the paint needs are. Hammond stated that HPM has been facilitating some spot painting, but it is difficult to get the paint to match. The contractor explained that if they wait too long to paint the buildings, it will increase the cost significantly. Meng volunteered to meet with HPM and the painting contractor to try to value engineer the project. Welch stated that he would be scheduling ice dam removal in the next few days. Hassman stated that the transition between the driveway has settled a few inches below the concrete garage slab. Welch will attempt to have this addressed in the summer. Welch also stated that he will have the plastic edging around campus replaced during the summer of 2016. Josie Erickson stated that the flower beds did not look good over the summer season. Hammond agreed, and promised to do better next year.

## **Old Business**

### Propane Tank Update

Cundey gave an update on propane tank ownership. He stated that four units are serviced by Montana Energy Alliance (MEA). MEA does not claim ownership of these tanks or meters, just the propane stored in them. The other 16 units are serviced by Northern Energy, who claims ownership of the propane, tanks, and meters. The board was not able to resolve the ownership issue with the tanks serviced by Northern Energy in time to join the Big Sky Propane Consortium, but were able to negotiate lower prices for the upcoming winter. Northern Energy claims that since they installed the tanks and meters, and have not invoiced the HOA for the tanks, they own them. Bill Erickson asked if there was a lease between the HOA and Northern Energy. Hammond and Cundey stated that the contract would have been between the builder(s) and Northern Energy, and the HOA wouldn't have been included. No such contract has ever been produced. Hammond stated that he would like to contact an attorney to represent multiple HOAs that are dealing with the same issue with Northern Energy. The group agreed with this plan. Cundey agreed to be the point person on the board for this project.

## **New Business**

### Board Member Elections

Meng made a motion to reelect Al Hassman, George Bray, and Bob Cundey. Bill Erickson seconded the motion. All were in favor, and Hassman, Bray, and Cundey were reelected.

## **Adjournment**

The meeting adjourned at 10:18 am.