



PO Box 160099 Big Sky, MT 59716

**Board of Director's Meeting**  
October 2, 2012 @ 3:00 p.m. Mountain Time  
Hammond Property Management, Inc.

## ***MINUTES***

### **I: Call to Order**

The meeting was called to order at 3:00 p.m. by Brad Fretz. In attendance were the following Board members: Brad Fretz, Jim Hammelman (via conference call), Judy Nilon (via conference call), and Todd Chapman (via conference call). Also in attendance were Scott Hammond (HPM), Ryan Welch (HPM), and Alison Gregory (HPM).

### **II: 2012 Budget Update/25 Year Capital Plan Review**

Mr. Hammelman discussed the current financial status of the HOA as well as reviewed the capital plan for the HOA. The budget reviewed is as of 8/31/2012. The 2012 budget is trending well and should come under budget for 12/31/2012, even with the past due assessments from a unit owner. One unit is expected to be past due on assessments in the amount of \$5,243.32. A letter has been mailed to the unit owner requesting payment of assessments. If the assessments are not paid by 10/31/2012, a lien will be filed on the property. The amount due on the lien will continue to increase by the amount of unpaid future assessments plus interest. Mr. Hammelman spoke with the owner and it is unlikely the owner will pay as they indicated they are letting the property go to a short sale.

Mr. Hammelman forecasts to be under budget by roughly \$20,000. The HOA is under budget on the ice melt system by roughly \$27,000 which has greatly helped the expected year end surplus. The repairs/maintenance line item is over budget by roughly \$24,000 for 2012 because of the clubhouse remodel. However, this was expected and the HOA is still expected to come in under budget.

Mr. Hammelman discussed the rolling 25-year capital plan. The plan serves as a rough forecast for SPC's short term and long term capital expenditures. The Board's goal is to pre-fund a substantial portion of anticipated future maintenance costs including roof replacement, painting, siding, and asphalt sealing. For example, SPC has reserved roughly \$1.1 million for roof replacement and siding for the period 2020-2025. The Board's plan is to fund a substantial portion of future maintenance from reserves funded from current dues. The goal is to pre-fund 50-65% of anticipated expenses although the ability of the HOA to fund at this level could be negatively impacted by unknowns such

as the timing of repairs and actual expense versus the estimate. The balance of the maintenance expense would be funded by special assessments.

Discussion took place amongst the Board and HPM regarding the capital reserve plan. After review, Mr. Hammond noted the painting rotation was incorrectly projected. For 2013, three buildings have been projected to be painted with 2014 being a year off and then the painting rotation begins again in 2015. In actuality, there are 4 buildings left to be painted. There are three 5-plexes and one 3-plex left to be painted. Therefore, Mr. Hammelman will adjust accordingly. It was determined to complete 2 of the 5-plexes in 2013 and then the final 5-plex and 3-plex in 2014. The painting rotation would then start over in 2015. There was no further discussion regarding the 25 year capital plan.

### **III: Roof and Siding Analysis**

Mr. Hammond presented two estimates from Cornerstone Management Services, Inc. (CMS) to perform an analysis of what roof replacement and siding would cost for SPC. To perform a roof study, the cost is \$990. To perform a siding study, the cost is \$1,870. Discussion took place among the Board on how to approach obtaining rough estimates for roof replacement and siding at this early stage. The challenge is determining what these projects will cost years before the work needs to be performed. Mr. Fretz suggested HPM obtain estimates of what it would cost today to replace the roofs and replace siding and then use Mr. Hammelman's inflation factor to gauge actual costs in the future. Mr. Hammond mentioned the siding did not need 100% replacement and should be approached on a "surgical approach" of what needs to be replaced. Therefore, the Board suggested Mr. Hammond obtain estimates of what it would cost to replace 30% of the siding on each building. The Board requested HPM not engage CMS regarding the roof replacement costs and instead gather the roof replacement information from Timmer Roofing via the accountant's office. Timmer Roofing replaced the roofs on buildings #4 and #6 in 2008. Rather than spend money on a roof replacement study, the Board would like to utilize what was spent on replacing the roofs in 2008. The Board authorized HPM to obtain an estimate for 30% siding replacement estimate and to not exceed \$900 in obtaining this information. HPM will move forward in obtaining estimates for roof replacement through Timmer Roofing and siding estimates.

### **IV: Old Business**

#### **a. Pond Update**

Mr. Fretz provided a pond update. Big Sky experienced a hot and dry summer with little to no rain. The natural spring that feeds the pond dried-up and, as a result, the pond was not self-sustaining this summer. Despite substantial algae, Mr. Welch commented the fish were doing great and surviving. A separate meter pit was installed for the pond and is tied into the irrigation system. Mr. Welch was told by Urbani Fisheries the SPC pond was in great shape compared to numerous other ponds throughout Big Sky. All ponds have suffered greatly with the dry summer. The Board will give the pond another year and will address its condition next summer to see if things have improved.

#### **b. Asphalt Reseal Project Update**

Mr. Hammond commented the resealing of the asphalt was a successful project and the complex looks great. Mr. Hammond thanked all owners and residents for being patient throughout the project as it did cause some inconveniences with parking and access to the complex. Some striping was painted by end units.

#### **c. Water Meter Pit Project Update**

Mr. Hammond commented the water meter pit project was also successful. Forever Green Sprinklers, Inc. performed the work on the water meter pit project. Three meter pits were abandoned. Now every unit, with the exception of the clubhouse, has its own meter. The estimate provided for

the project was accurate as well. The Board reminded HPM to follow up with Big Sky Water and Sewer District regarding the credit due for the return of the three water meter pits. HPM will follow up with this request and report to the Board.

## **V: New Business**

### **a. Concrete Slabs**

Multiple owners have expressed concern regarding the cracks in their concrete patio. Mr. Welch obtained an estimate from Wapiti Concrete to repair the cracks in the patio. It will cost roughly \$3,800 per patio. Discussion took place among the board regarding whose responsibility the concrete patio is financially. After referencing the SPC Declaration, it was determined that the concrete patio is considered a limited common element, and therefore is the responsibility of the each owner. Mr. Fretz suggested this be discussed at the annual meeting in March and it will be announced to the owners it is their responsibility to take care of their concrete patio. More discussion will take place at the annual meeting.

### **b. Pool Coping**

Mr. Hammond presented an estimate from Stone-Age Decorative Concrete to repair the deterioration of the pool coping around the pool. The estimate is \$3,117.00. The Board discussed the estimate and recommended this work be conducted in July 2013 and will be funded under pool repairs.

### **c. Pool – Installation of a Wind Barrier**

Mr. Fretz and HPM received correspondence from an owner suggesting the Board consider a wind barrier around the pool to cut down on the wind in the pool area. The Board thanked the owner for his correspondence and participation. After much discussion involving both aesthetics and cost, the Board could not find an acceptable and affordable solution.

### **d. SPC Gym**

The gym at the clubhouse has been a success! HPM and the Board have received positive feedback regarding the gym. The Board requested HPM to install a cover and lock over the thermostat in the gym to maintain a consistent temperature that HPM will monitor. HPM will move forward with this installation.

### **e. Board Position Vacancy**

Mr. Fretz would like to defer any action in filling the board position vacancy until the annual meeting in March. In the meantime if any owner is interested in serving on the Board, please communicate with Mr. Fretz. When the announcement for the March annual meeting is mailed out in early 2013, the cover letter will include the announcement of the open board position encouraging any interested owner to please come to the annual meeting.

## **VI: Adjournment**

The meeting was adjourned at 4:35 p.m.