

# Crail Creek Club Condominiums

PO Box 160099 Big Sky, MT 59716

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## *Annual Board of Director's Meeting September 2, 2011 Following the Annual Owner's Meeting*

### *MINUTES*

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

The meeting was called to order at 10:45 a.m. In attendance were the following Board members: Lance Krieg, Jerry Fishel, Bo McClerkin, Tom O'Connor, and Bill Pinna (via conference call). Scott Hammond and Alison Gregory were also in attendance from Hammond Property Management.

#### **II. Security Deposit for Long Term Rental Owners:**

Hammond Property Management will work with the Board drafting a letter to be sent to owners of long term rental properties regarding the \$2,000 security deposit. Long term renters will be defined as any renter that stays longer than 60 days. The \$2,000 security deposit will go to the HOA in the event of any potential damage by a renter. If an owner does not submit the \$2,000 security deposit, the owner will be responsible for any damage caused by the long term renter.

Mr. Pinna will research the governing documents for the Association and will draft a resolution in compliance with the bylaws. All Board members will review the letter and resolution. A trust account will then be created by the Board and accountant to "house" the \$2,000 security deposit. Letters will then be sent out to the applicable owners.

#### **III. Insurance:**

Mr. Krieg and Ms. Gregory solicited bids for the Association's insurance in hopes of raising the Association's liability limits and maximizing savings. Farmers Insurance, the current carrier represented by Duane Vinger, solicited a bid that will cost \$20,503 for basic coverage and includes a Lloyd's earthquake policy for an additional \$5,000. The total is approximately \$25,503. The Vinger agency has been a great group to work with. Mr. Krieg is not in favor of the earthquake policy/coverage through this company. There is a \$10,000 deductible and a \$10 million limit.

Mr. Krieg received a second bid from Ty Moline with The Agency. The carrier represented by Ty Moline is United Fire Group. Mr. Moline's bid proposes \$16,818, including earthquake. Mr. Krieg feels this is a more attractive bid from the premium side and deductible side.

*prospective buyer (good luck). In these volatile economic times matching expenses more closely with collection may be more appropriate."*

Crail Creek Club has a very healthy reserve fund, and this is a marketing plus for the condominium complex. Property values are higher because the Association has a strong reserve account, which in turn can be used as a selling point. The good news is with Crail Creek Club having a healthy reserve fund; owners do not have to deal with special assessments.

After much discussion, the Board stated that the bylaws of the Association state the reserve funds are the funds of the Association and those funds are not attributable at the sale of a unit to be paid out to the owner that sold the unit. It should be taken into consideration the reserve fund of an Association should be taken into consideration with an owner's realtor when discussing putting a unit up for sale. Crail Creek Club condominiums are positive on this front and should help with negotiations between buyer and seller on a price.

Mr. Hammond will contact Mr. Pallante regarding the Board's discussion and response.

- b. Mr. Hammond discussed concerns brought to him by an owner regarding electrical costs. The owner requested an energy audit to be performed on his condo. This is not an HOA expense. HPM will work with the owner and upon approval, can contract NWE to perform an energy audit.

Mr. McClerkin has also had this type of concern/experience. He has added insulation but it unfortunately has not helped a lot when it comes to high electrical bills.

Mr. Hammond also noted that all owners should make sure the garage doors are closed at all times unless an owner/renter is entering or leaving. When the garage doors are left open, heat loss occurs quickly and can cause high bills. For those owners that rent their properties, they should make sure their property manager is passing this information to the renters.

**V. Adjournment:**

The meeting was adjourned at 11:30 a.m.