

**Yellowstone Condominium Owner's Association
2180 Yellowtail Road; PO Box 160099
Big Sky, MT 569716**

Yellowstone Condominium
December 30, 2010 @ 3:00 pm
Hammond Property Management Conference Room

Minutes

I. Call to Order

The meeting was called to order at 3:00 pm. In attendance were the following: Buddy Baker, Jerry Gleich (via conference call), Diane Doss, Maggie Trimiew, Rich Lindell (accountant; via conference call), Scott Hammond, and Alison Gregory.

II. Discussion and Adoption of 2011 Operating Budget

Mr. Baker explained under the administrative section the audit line item needed to be removed and/or budgeted at \$0.00. This is because audits are no longer needed as an expense on the budget. Lindell & Associates does audits for the Yellowstone HOA as part of his paid services for the HOA. This line item was originally added into the budget when it was intended for the Management Company to perform the yearly audit.

Currently, the By-Laws call for an audit line time. Therefore, the By-Laws will need to be amended to reflect this change. More discussion will follow at a later time regarding amending the By-Laws.

The insurance line item of \$16,500.00 will remain the same for 2011. Currently, the Association has insurance with Cincinnati Insurance through Payne Financial Group.

For office expenses/postage, the budget has decreased for 2011 from \$685.00 to \$500.00. The Board expects office expenses to be less for 2011 by having Hammond Property Management help facilitate with clerical duties that cost the Association in years past.

Mr. Baker continued the discussion of the budget in the maintenance area. The Association only spent \$1340.00 for 2010 in the building line item. The Board felt it necessary to decrease the line item from \$6,000.00 to \$2,500.00.

The next discussion on the proposed 2011 budget was the pool area. The Board reduced the costs for water and electricity from \$28,000.00 to \$22,500.00. Hammond Property Management discovered a significant inconsistency in the amount of water the Association uses and what has been paid for in previous years. In the management company's research thus far, their belief is there is a possible leak and/or failure of a

meter that spends 10-15 gallons of water a minute for twenty-four hours. This amount of water being spent also increases electricity costs. Hammond Property Management manages two other Associations with very similar pool system set ups and their costs are half of what Yellowstone Condominium's costs are. This difference in the budget line items is what originally brought Scott Hammond's attention to the fact there may be a leak or failed meter. Therefore, the pool water/sewer line item was also decreased from \$12,000.00 to \$8,000.00. The pool building repair line item was increased from \$6,000.00 to \$8,000.00 for the expectation of the repairs that will need to be made to assess and fix the possible leak and/or meter failure discussed above.

Under the services area in the proposed budget, the firewood line item was increased from \$4,500.00 to \$6,000.00 due to the unusually cold weather (subzero temperatures) Big Sky experienced in November/December 2010 and expected to continue experiencing.

Also under services, the water and irrigation line item was decreased for 2011 from \$8,500.00 to \$6,000.00. Mr. Hammond did suggest that adding another \$1,000.00 to the water and irrigation line item may be a safer amount to cover costs of watering the campus and will allow the Association room for repairs and/or additions to irrigation system. Overall, though, reduced costs for irrigation.

In conclusion, the overall proposed 2011 budget decreased from \$175,000.00 for 2010 to \$139,015.00 for 2011. The deferred maintenance reserve budget will remain the same as 2010 at \$10,000.00.

Mrs. Doss made a motion to accept the proposed 2011 budget as presented above. Mr. Gleich seconded the motion. All in favor; motion passed; 2011 proposed budget approved.

Finally, at an earlier ad hoc committee meeting, the Board approved up to \$250.00 to be spent on a color mock-up of the exterior of one of the buildings at Yellowstone Condominiums with certain selected colors previously discussed. Kevin with Montana Graphics Design will be presenting to the ad hoc committee the mock-up. Hammond Property Management will move forward in contacting Kevin to perform this work for up to \$250.00.

III. Appointment of Ad Hoc Committee for Exterior Renovation Project

Mr. Baker made a motion to appoint the following members for the ad hoc committee: Bob Doss, Buddy Baker, Kevin Cook, and Scott Hammond. Mrs. Doss and Ms. Trimiew seconded the motion. All in favor; motion passed.

IV. Manager's Checking Account at Big Sky Western Bank

The previous management company for Yellowstone Condominiums had a separate checking account for the Association aside from the accountants (Lindell & Associates). Hammond Property Management felt it was appropriate to just have one account and to have all checks go through the account held by Lindell & Associates. The Board agreed. Mr. Baker made a motion to close the petty cash account at Big Sky Western Bank,

transfer those funds to the account held through the CPA's office, and in moving forward, have all checks processed through one account at Big Sky Western Bank. Mrs. Doss seconded the motion. All in favor; motion passed.

V. Authorization to Open Charge Accounts at Certain Local Businesses

Hammond Property Management requested authorization to open accounts at a few local businesses for the Association to help streamline billing when certain products, parts, etc. are needed for the Association. The following businesses Mr. Hammond would like to see accounts opened for are: Nordic Hot Tub, True Value Hardware Store, Sherwin Williams, and Bozeman Safe and Lock (Medco Signature Card for Pool Clubhouse keys). Mrs. Doss made a motion to give Hammond Property Management authorization to open accounts at the vendors listed above. Ms. Trimiew seconded the motion. All in favor; motion passed.

Mr. Hammond will contact Bob Juel (previous property manager) and have him release his name from Bozeman Safe and Lock Medco Signature Card and authorize Hammond Property Management to be on the account. A letter will be written and submitted to Bozeman Safe and Lock.

VI. Adjournment

There was no other business discussed. The meeting was adjourned at 4:00 pm.