



PO Box 160099 Big Sky, MT 59716

Annual Owners' Meeting

February 13, 2015 9:00 AM

Big Sky Water & Sewer District Building

Call to Order

Presiding Officer Brad Fretz made a motion to call the meeting to order at 9:06 am. Judy Nilon seconded the motion. All approved and the motion carried. A quorum was established with 59% of the membership represented in person and by proxy.

Board members in attendance were Brad Fretz of unit 43 and Judy Nilon of unit 23, Jim Hammelman of unit 11, and Bob Shanks of unit 30. Owners in attendance were Kelly Brown of unit 22, Jon Christensen of unit 25, Anne Reid of unit 34, Robert & Sue Merry of unit 35, and Frank Alley of unit 36. Also in attendance were Accountant Rich Lindell of Lindell & Associates, P.C.; Scott Hammond, Ryan Welch and Michelle Everett of Hammond Property Management.

Approval of the 2014 Annual Meeting Minutes

Brad Fretz made a motion to approve the Minutes of the 2014 Annual Meeting. Fretz explained that the meeting will be very similar to last year's meeting. The association did not have any substantial unforeseen expenses. All were in favor; none opposed. The minutes from the February 14, 2014 Annual Owners' Meeting were approved.

Financial Review

Rich Lindell and Jim Hammelman presented the Financial Report. Rich stated that overall, the association is in very good shape due to the fact that the board is diligent about monitoring expenses. He first discussed the Statement of Assets, Liabilities and Fund Balances. As of December 31 of 2014, the association had \$207,711 cash on hand. Everyone is current on assessments. There was \$16,900 available in the operating fund, and \$199,637 in reserves. He then went over the Changes in Fund Balances. The operating account received \$260,950 in regular assessments, and the expenses were \$251,961. That left a surplus of \$9,212. \$10,000 was put into the painting and staining reserve and \$24,950 was used from that reserve. He stated that the IRS guidelines have changed, and that painting and staining are no longer classified as reserve items, which is why \$12,606 was moved to the betterment/replacement reserve. The reserve allocations were as follows: \$65,050 was placed into the roof reserve, \$2,000 was put into the road reserve, and an additional \$2,000 was put into the betterment/replacement reserve. The roof reserve ended with \$178,977. \$4,030 was taken from the road reserve for asphalt repairs, leaving \$11,441. \$8,424 was taken from the betterment reserve for utility box covers, leaving that fund at \$9,219. Fretz asked how the association's reserves stack up to other HOA's in the area. Lindell stated that SPC is very strong. He also stated that there is more and more scrutiny on reserves from mortgage companies. SPC is reserving well over the minimum that is required. Fretz explained that the association is trying to

be cautious with spending in order to reserve before extensive expenses come up. Lindell then presented the budget to actual. 97% of the operating budget was spent.

Hammelman explained that the association has consistently been under budget. He then went over the 2015 budget. The total budget is \$340,000, which is the same as the 2014 budget. Hammelman discussed the 25 Year Maintenance Capital Plan. The reserves will continue to grow until major projects occur between the years of 2020-2025. Due to the fact that the inflation rate is higher than the interest rate, earnings on the reserves are negative. The inflation factor that Hammelman used is higher than the current rate of inflation due to the current growth in the area, which has increased construction costs. Hammond believes it would be a good idea to have a thorough analysis of the roofs done in 2017 to have a better idea of the lifespan of the current roofs. Christiansen stated that the board, and Hammelman in particular, has done a great job in reserve planning. Hammond and Fretz commented that this has all been done without raising the dues.

Hammelman discussed the Association's master insurance policy. The coverage hasn't changed substantially. The most significant change was to the earthquake policy. It was previously with Holy Oak, and is now with Great American. Hammelman also noted that each owner is required to maintain \$300,000 in liability coverage.

Property Manager's Report

Hammond presented the Property Manager's Report. He noted that the snow and ice management in February and March of 2014 was more extensive than it has been during the 14-15 winter. The PVC pipes that were installed underneath the asphalt have been very successful. He also discussed common area maintenance including: rocks on the exterior of the buildings, pond and waterfall maintenance, installing flower boxes and utility box covers, parking violations, ice melt and snow removal management, annual fire suppression inspections, and replacing lights around campus. Hammond discussed the pool coping project. Initially the cost was estimated to be around \$20,000 to remove and replace the coping, but Welch was able to find another solution that cost the Association \$1,200.

2015 Project List

Fretz discussed installing five security cameras around the complex. This would cost approximately \$7,000. The cameras would cover the entrances to all units, as well as the clubhouse and dumpster areas. He asked for input from owners. Some concerns that were discussed included cost versus benefit, and privacy concerns. An owner asked if there have been prior issues. Fretz stated that there haven't been many problems, but that this is a preventative measure. Fretz asked for a vote on whether owners were in favor of or opposed to adding security cameras. One owner was opposed, the rest were in favor.

Hammond discussed the rest of the Project List. The project list consisted of installing six more utility box covers, adding flower boxes, spot painting, pool concrete maintenance, and tree replacements.

Alley stated that he has concerns with parking around campus, including vehicles parking diagonally. Hammond and Welch stated that they have been communicating with an owner that has been violating the parking rules. Hammond also stated that vehicles in front of some buildings should be parked diagonally or perpendicularly to avoid impeding traffic.

Sue Merry brought up concerns with the pond during the winter months. She asked if it would be possible to put a fence up around the pond to mitigate safety and liability concerns. Fretz stated that this would be discussed at the board meeting following the Annual Meeting.

Alley explained that he would like assistance with some maintenance questions. He stated that he has had difficulty finding which vendors to use for interior repairs. Welch stated that there is not a

comprehensive list of which vendors were used during each construction phase. Hammond stated that owners are welcome to contact HPM with questions or vendor recommendations.

Other Business

No other business was discussed.

Board Member Election

Two board members were up for reelection. In addition, Todd Chapman left the board due to the sale of his unit, leaving three positions to be filled.

Fretz made a motion to reelect himself and Shanks as board members. Brown seconded the motion. All were in favor, and Fretz and Shanks were reelected to the board.

Fretz made a motion to elect Kelly Brown to the board. Christiansen seconded the motion. All were in favor, and Brown was elected to the board.

Adjournment

Brad Fretz made a motion to adjourn at 11:04 am. Brown seconded the motion. All were in favor. None opposed. The motion carried.



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SPC Condominium Association, Annual Owner Meeting
February 13, 2015 at 9:00 am (MST)
Big Sky Water and Sewer District Building

Property Management Report

Year Round

- Performed routine maintenance on the Clubhouse and dumpster cameras.
- Checked exterior lights and changed light bulbs throughout the complex.
- Monitored the light bulbs and television remote batteries in the Clubhouse.
- Cleaned and consolidated the dumpster areas.

March – June 2014

- Replaced heat cable in the rear downspouts of units 4 and 5.
- Replaced bad elbow at unit 37 front soffit gutter.
- Arranged for Big Sky Snowman to pull up snow pack and clean up parking lot. Also had them move snow piles.
- Checked heat tape breakers.
- Checked decks for rule violations.
- Cleaned up overflowing dumpsters.
- Put cones up for semi arrival around snow storage area.
- Knocked down icicles at the entry of unit 38.
- Serviced cameras in clubhouse.
- Turned off heat tape throughout complex.
- Obtained an estimate to fix the entry pillar at unit 4 after it was hit.
- Looked at pool coping with Old World Accents.
- Arranged for Bridger Contracting to look at pool tile repairs.
- Big Sky Water and Sewer turned off the curb stop at unit 43 to investigate an underground water leak. Anderson Enterprises also came with a thermal image camera to help find the leak. Russell Hone Excavation came to repair the leak.
- Stone Worx fixed the damaged pillar at unit 4. They also fixed loose stones around complex.
- Started landscape cleanup.
- Installed a pump for the waterfall.
- Put parking blocks up.
- Installed Bird-B-Gone spikes throughout complex.
- Built and stained utility cover box at unit 37.
- Oversaw the staining project on the last 3 buildings.
- Swept gravel in parking areas.
- Got water flowing from roadside spring to enter pond again.

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- Added flower boxes to entries of middle units.
- Shut off pond waterfall due to leak.
- Arranged for the waterfall to be repaired.
- Repaired pool coping and grout cracks.
- Drained and cleaned the pool.
- Managed the chimney cleaning and inspection.
- Re-stained garage doors at units 18 and 25.
- Adjusted irrigation due to water restrictions.
- Added 25 fish to pond.

July – September 2014

- Mountainscapes rebuilt the faulty waterfall.
- Increased dumpster pick-ups to 3 times per week.
- Did night time check, changed bulbs as necessary.
- Replaced photo eyes at units 2 and 26.
- KM Paving added 3 spots, widened worst approach, and fixed patch in front of unit 43.
- Met with 46 North about replacing 3 dead trees.
- Stone Worx sealed bridge rocks. Fixed loose stones around clubhouse.
- Met with Ron about adding 4 new utility boxes.
- Had 4 wheeler trailer moved from unit 42.
- Cleaned inside pool and spa tile.
- Removed dead aspen behind units 38 – 42 and filled in the tree well.
- Changed bulbs in clubhouse.
- Looked at wet area between 42 and 43 with forever green.
- Changed dumpster pickups back to twice/week.
- Shut down and weatherized the pool and spa.
- Put pool furniture inside
- Stained the new utility boxes.
- Tried to adjust satellite dish that wasn't working at unit 46.
- Had irrigation winterized.
- Dealt with a tenant's trailer at unit 40.
- Trimmed spruce tree at entry for better visibility.
- Put away flower pots from the entry of all units.
- Met with Barry at Security Solutions about surveillance camera options.

October 2014 – January 2015

- Serviced cameras in clubhouse.
- Changed interior bulbs.
- Fed fish.
- Replaced bad photo eye for exterior lights at unit 48.
- Fixed and replaced damaged sewer clean-out covers at units 3-7 and 8-12.

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- Hired Powers Heating to conduct boiler inspections.
- Put signs around the pond stating "Danger Thin Ice".
- Arranged for Simplex-Grinnell to conduct the annual fire suppression system inspections.
- Had Better Fitness replace the electrical board for the treadmill that was not working.
- Met with Mac from Big Sky Snowman about plowing for the 14/15 winter season, and discussed snow storage expectations.
- Turned heat tape on and checked breakers.
- Spoke to renters about keeping the balcony neat.
- Dealt with parking concerns at unit 20.
- Arranged for extra trash pick-ups for the holidays.
- Addressed heat tape failures at units 9, 10, 15, 16, 25, and the gutter of unit 37. Hired Mountain Home Electric and Montana Steamworks to repair.
- Chipped ice throughout complex.
- Asked North Western Energy look at a noisy meter at the utility panel of unit 7.
- Replaced failed router in the clubhouse.
- Exposed parking lot drains.

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