

CRAIL CREEK CLUB CONDOMINIUMS

PO BOX 160099 BIG SKY, MT 59716

*Annual Owner Meeting
Friday, September 1, 2017 @ 9:00 am
Buck's T-4 Lodge, Big Sky*

AGENDA

- I. **Introductory Remarks**
- II. **Establishment of a Quorum**
- III. **Approval of the September 2, 2016 Annual Meeting Minutes**
- IV. **2017 Financial Report and Proposed Budget for Fiscal 2018**
- V. **Property Management Update**
- VI. **Election of Board of Directors**
Current Board:
 - Gary Walton – President
 - Mike Pollard – Treasurer/Secretary
 - Bill Pinna – Officer
 - Tom O'Connor – Officer
 - Cami Weber - Officer
- VII. **Old Business**
 - CTA/Roofing Discussion
 - Sod “Burn-out Areas” Discussion
- VIII. **New Business**
 - Discussion of possible deck replacement & different wood options
 - Discussion regarding telephone call-in voting for meetings
- IX. **Adjournment**

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MINUTES

Call to Order

Tom O'Connor called the meeting to order at 9:05 am. With President Gary Walton's absence, O'Connor presided over the meeting.

Board members in attendance were Tom O'Connor (unit 629), Cami Weber (unit 605), Mike Pollard (unit 608) and Bill Pinna (unit 630, via conference call). Gary Walton was not present. Owners in attendance were Dustan and Becky McCoy (unit 619), Bo and Carol McClerkin (unit 601), and Ken Wilson (unit 631).

Guests included Rich Lindell, CPA of Lindell and Associates as well as Scott Hammond, Ryan Welch, and Michelle Everett of Hammond Property Management (HPM).

Establishment of a Quorum

Fifty percent of the membership votes are required to conduct the meeting; 68.75% of owners were present in person and via proxy.

Approval of 2015 Annual Meeting Minutes

Becky McCoy made a motion to approve the minutes of the 2015 Annual Meeting. Wilson seconded the motion. All were in favor; none opposed. The motion carried.

2016 Financial Report

Lindell discussed some highlights of the financial report. He explained that as of July 31, 2016, the Association had \$449,877 in the operating and reserve funds, which was up from \$387,000 at the end of the previous year. Wilson asked about interest being made on the reserve funds. Lindell explained that the reserve funds are in a money market account, and that the interest is accounted for in the operating fund due to IRS requirements. The total interest earned over the past year on the money market account was \$98. Wilson explained that he has looked at options at other banks and believes there are better options to make more interest income on the reserve account. Hammond suggested having Wilson, Lindell and himself meet to discuss these options and propose a plan to the board. Lindell then discussed the fund balances. He stated that the reserves currently have \$310,391. He moved on to the budget vs actual. He stated that 46% of the total budget for the year had been spent. Lindell then presented the proposed 2017 budget. The insurance line item increased approximately \$5,000. To keep the budget flat, reserves were decreased. Hammond volunteered to get quotes on the Association's insurance to help save some money. **Pinna made a motion to approve the proposed 2017 budget. Dustin McCoy seconded and the motion carried with all in favor.**

Property Management Update

Hammond discussed some highlights from the property management report. He stated that the painting contractor did great work and was very easy to work with, which the owners agreed with. Hammond also discussed some of the landscaping challenges that were faced over the summer. He struggled with staffing his landscaping crew, and the campus did not look as nice as it has in the past. He would like to look into hiring a subcontractor to take care of the flower beds, weeding, pruning, etc. Hammond will present options to the board. Welch and Hammond discussed some issues with the grass. They stated that with the early water restrictions, the grass burns out quickly. The also noted that

there was not any topsoil installed underneath the sod that was laid. Hammond and Welch will look into adding topsoil to the areas that angle toward the sun. The group agreed that the trees on campus are doing very well, mostly due to the deep root fertilization that has been done. The wagon holding the Crail Creek sign was also discussed. It is aging and not holding up very well. HPM will look into adding signs with flower boxes and present the design options to the owners. Wilson asked about the what the policy is when owners request adding trees and shrubs. Hammond explained that owners reach out to HPM, who submit their proposal to the board. The owner requesting the trees and shrubs are responsible for the cost of installation. Wilson suggested that if any neighbors' views may be obstructed by the installation, they should be notified and able to be a part of the approval process. The group agreed. If any owners wish to have their trees pruned or removed, they should reach out to HPM.

Election of Board of Directors

All of the current board members were willing to continue to serve on the board. **McClerkin made a motion to reelect the slate. Dustan McCoy seconded the motion. All were in favor and the motion carried.**

New Business

Hammond discussed the state of the Association's roofs. The roofs are aging and will need to be replaced as early as 2018. The current roofs have a Bylin heat tape system installed to prevent ice dams that lead to roof leaks. The system has been pretty successful, but costs \$12,000-\$15,000 to run annually. Welch stated that there were approximately 10 roof leaks during the past winter that lead to water damage inside of units, which were repaired with HOA funds. The group discussed options for new roofs. Hammond suggested two options: a cold roof system and a very thorough conventional roof, including extensive underlayment and proper flashing. Cold roofs are significantly more expensive but do not require heat tape or roof shoveling. Hammond believes that some of the underlying problems and challenges with a conventional reroof are a lack of insulation and extensive heat loss from the buildings. Hammond presented an analysis of the Crail Creek roofs done by an engineering firm. He believes their estimates for the cost of installing a cold roof were very high. Pinna would like to see firmer numbers for both the cold roof and conventional roof. Hammond will work with O'Connor, Pinna, and Rick Derrer on putting together an RFP and getting some estimates. Hammond also encouraged all owners to notify HPM immediately if they notice roof leaks. The group then discussed some confusion with unit addresses. Hammond will speak to the Gallatin county GIS service to see what the options are to establish official addresses. He will present his findings to the board. Hammond then discussed the wooden dowel and spindle deck railings. The railings on the south side are in very bad shape and need to be replaced. The cost to replace these railings is \$3,400. HPM will obtain bids from more contractors and present them to the board.

Adjournment

Dustin McCoy moved to adjourn the meeting and McClerkin seconded the motion. The meeting adjourned at 10:36 a.m.

Crail Creek Club Condominium Association
Statement of Assets, Liabilities & Fund Balances
As of July 31, 2017 & December 31, 2016

	July 31, 2017			12/31/2016
	Operating Fund	Reserve Fund	Total Funds	Total Funds
ASSETS				
Cash	\$ 52,709	\$ 383,074	\$ 435,783	\$ 397,194
Due (to) from other funds	64,850	(64,850)	-	-
Assessments receivable	16,726	2,937	19,663	-
Prepaid expenses & other	-	-	-	15,840
Total Assets	<u>\$ 134,285</u>	<u>\$ 321,161</u>	<u>\$ 455,446</u>	<u>\$ 413,034</u>
LIABILITIES				
Accounts payable		-	\$ -	\$ 2,880
Deferred Revenue	3,934	-	3,934	8,757
Total Liabilities	<u>3,934</u>	<u>-</u>	<u>3,934</u>	<u>11,638</u>
FUND BALANCE				
	130,350	321,161	451,511	401,396
Total Liabilities & Fund Balance	<u>\$ 134,285</u>	<u>\$ 321,161</u>	<u>\$ 455,446</u>	<u>\$ 413,034</u>

FOR MANAGEMENT USE ONLY

These financial statements have not been subjected to an audit, review or compilation engagement, and no assurance is provided on them.

Crail Creek Club Condominium Association
Statement of Revenues, Expenses and Changes in Fund Balance
January 1, 2017 through July 31, 2017

	Operating Fund	Capital Reserves	Total
REVENUES			
Assessments	142,511	26,239	168,750
Interest Income	164		164
Total Revenues	<u>142,675</u>	<u>26,239</u>	<u>168,914</u>
EXPENSES			
Administrative:	38,330		38,330
Maintenance & Services:	55,053		55,053
Contingency	0		0
Total Operating Expenses:	<u>93,383</u>		<u>93,383</u>
RESERVE EXPENSES			
Capital Expenses		25,416	25,416
TOTAL EXPENSES	<u>93,383</u>	<u>25,416</u>	<u>118,799</u>
REVENUES OVER EXPENSES	49,292	823	50,115
Fund Balances Beginning	81,058	320,338	401,396
Fund Balances Ending	<u><u>130,350</u></u>	<u><u>321,161</u></u>	<u><u>451,511</u></u>

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Crail Creek Club Condominium Association
Schedule 1 - Budget to Actual Comparatives

	Current Year as of: 07/31/17			Prior Year		
	Annual Budget 12 month	YTD Actual Expense	Variance (Over) Under	Annual Budget 12 month	Actual Expenses 12 month	Variance (Over) Under
Administrative:						
Insurance	23,800	13,703	10,097	19,000	23,619	(4,619)
Incorporation Fee	20	20	0	15	20	(5)
Office Expenses (Supl/Postage)	1,000	364	636	1,000	854	146
Subtotal	<u>24,820</u>	<u>14,087</u>	<u>10,733</u> 57%	<u>20,015</u>	<u>24,493</u>	<u>(4,478)</u>
Professional Fees:						
Accounting	4,250	1,889	2,361	4,250	4,332	(82)
Legal	500	0	500	500	0	500
Management	38,320	22,354	15,966	38,320	38,320	0
Subtotal	<u>43,070</u>	<u>24,243</u>	<u>18,827</u> 56%	<u>43,070</u>	<u>42,652</u>	<u>418</u>
Property Maintenance:						
Chimney Cleaning	1,825	1,925	(100)	1,825	1,875	(50)
Fire Sprinkler Inspection/Repairs	1,000	515	485	1,000	2,905	(1,905)
Grounds	17,500	8,036	9,464	17,500	21,896	(4,396)
Maintenance	15,000	3,563	11,437	15,000	21,151	(6,151)
Paint/Stain	20,000	0	20,000	20,000	37,000	(17,000)
Snow Plowing	10,500	7,901	2,599	10,500	11,826	(1,326)
Snow Shoveling	5,500	5,370	130	5,500	3,712	1,788
Snow/Ice Damage	1,000	0	1,000	1,000	1,082	(82)
Supplies	500	7	493	500	92	408
Tree/Bush Replacement (annual)	2,500	0	2,500	2,500	0	2,500
Window Replacement	2,000	0	2,000	2,000	0	2,000
Window Washing	4,200	4,085	115	4,200	4,085	115
Subtotal	<u>81,525</u>	<u>31,402</u>	<u>50,123</u> 39%	<u>81,525</u>	<u>105,623</u>	<u>(24,098)</u>
Utilites:						
Electricity-Lights	1,600	1,122	478	1,600	1,826	(226)
Electric-Bylin	15,000	13,182	1,818	15,000	12,235	2,765
Trash	16,000	8,267	7,733	16,000	19,654	(3,654)
Water/Sewer	8,000	1,080	6,920	8,000	3,969	4,031
Subtotal	<u>40,600</u>	<u>23,651</u>	<u>16,949</u> 58%	<u>40,600</u>	<u>37,684</u>	<u>2,916</u>
TOTAL OPERATING EXPENSES	<u>190,015</u>	<u>93,383</u>	<u>96,632</u> 49%	<u>185,210</u>	<u>210,452</u>	<u>(25,242)</u>
RESERVE EXPENSES						
Capital	34,985	25,416	9,569	39,790	0	39,790
Subtotal	<u>34,985</u>	<u>25,416</u>	<u>9,569</u>	<u>39,790</u>	<u>0</u>	<u>39,790</u>
TOTAL EXPENSES	<u><u>225,000</u></u>	<u><u>118,799</u></u>	<u><u>106,201</u></u> 53%	<u><u>225,000</u></u>	<u><u>210,452</u></u>	<u><u>14,548</u></u>

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Crail Creek Club Condominium Association
Schedule 2 - Budget Comparatives

	<u>2016</u>	<u>2017</u>
	Annual Budget 12 month	12 Month Annual Budget
Administrative:		
Insurance	23,800	24,725
Incorporation Fee	20	20
Office Expenses (Supl/Postage)	<u>1,000</u>	<u>1,000</u>
Subtotal	24,820	25,745
Professional Fees:		
Accounting	4,250	4,500
Legal	500	500
Management	<u>38,320</u>	<u>39,500</u>
Subtotal	43,070	44,500
Property Maintenance:		
Chimney Cleaning	1,825	1,825
Fire Sprinkler Inspection/Repairs	1,000	3,000
Grounds	17,500	17,500
Maintenance	15,000	15,000
Paint/Stain	20,000	20,000
Snow Plowing	10,500	10,500
Snow Shoveling	5,500	5,500
Snow/Ice Damage	1,000	1,000
Supplies	500	500
Tree/Bush Replacement (annual)	2,500	500
Window Replacement	2,000	2,000
Window Washing	<u>4,200</u>	<u>4,200</u>
Subtotal	81,525	81,525
Utilites:		
Electricity-Lights	1,600	1,600
Electric-Bylin	15,000	15,000
Trash	16,000	8,500
Water/Sewer	<u>8,000</u>	<u>5,000</u>
Subtotal	40,600	30,100
Contingency	<u>0</u>	<u>-</u>
TOTAL OPERATING EXPENSES	190,015	181,870
RESERVE EXPENSES		
Capital	<u>34,985</u>	<u>43,130</u>
Subtotal	<u>34,985</u>	<u>43,130</u>
TOTAL EXPENSES	<u><u>225,000</u></u>	<u><u>225,000</u></u>

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Crail Creek Club Condominiums
Property Management Report
September 2016-August 2017

September 2016:

- Winterized irrigation system
- Met Nick from BSWs to fix failed water meters
- Met Tony Lazaretto to look at deck replacements
- Pristine is to repair leaking gutter at 620.
- Secured warped deck board at 619
- Met with Mountain Scapes to add rock bed around 620.
- Repaired gutter at 620. Repaired heat tape and divider at 613.

October 2016:

- Removed sod and added washed rock at 620
- Performed annual fire suppression test at 601-608.
- Completed drywall repairs from water damage at 622, 623 and 624.
- Closed foundation vents around campus

November 2016:

- Met Direct TV at 622 about adding a dish. They used existing dish.
- Tacked up lose boards under deck at 631.
- Performed light check.
- Added moose fencing around aspens at #9.
- Swept leaves up at all entries around campus.

December 2016:

- Turned on heat tape
- Replaced burnt out exterior bulbs
- Helped owner of 610 isolate a water break in their garage
- Shoveled out fire hydrants
- Knocked down icicles around campus
- Placed space heaters in crawl space of 610 to thaw frozen pipes to unit
- Talked to the property manager of 611 about frozen garage drain lid. Heated.
- Checked heat tape breakers
- Chipped ice



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- Plumbing leak to garage in 603 due to toilet fill valve
- Assisted owner of 620 with a frozen drain line

January 2017:

- Checked heat tape breakers
- Assisted owners with frozen pipes at units 622, 623, and 630. (subzero temps)
- Successfully thawed out pipes without a break
- Shoveled roof ice dams and steamed ice on golf course side of complex
- Capped broken supply line hose bib at 629. Dried out carpets.
- Shoveled out fire hydrants
- Chipped ice and put down ice melt around complex
- Continued with snow and ice mitigation on roofs.

February 2017:

- Talked to owner of 607 about removing old hot tub from lawn
- Shoveled snow hanging from roof at 620
- Cleared around fire hydrants
- Contacted snow plow contractor about pulling up snow pack
- Checked heat tape breakers around campus
- Had owner of 610 remove dog pen from rear patio

March 2017:

- Met Expert Finishes for paint bid
- Picked up trash around parking areas
- Spoke to owner at 632 about ribbon in yard blocking access
- Repaired outside utility closet door latch at 604

April 2017:

- Fixed heat tape at 608. Heat tape breaker tied together with oven.
- Met with Bridger Contracting about tile repairs on entry stairwells.
- Opened foundation vents

May 2017:

- Started replacing deck railings at middle units
- Performed spring clean up
- Exchanged fire extinguishers in all units

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- Performed weed and feed
- Performed chimney inspections in all units
- Deck railing completed and painted.
- Talked with L&L about switching trash companies
- Replaced broken hose bib at 629.
- Repaired damaged drywall at 629

June 2017:

- Cleaned parking lots and roadsides
- Looked at rotting stairwell and stairs of units 626 and 627.
- Removed broken boards from privacy divider at Unit 630.
- Adjusted irrigation around Unit 608.
- Switched out garbage service to L&L (local company).
- Covered broken window above deck sliding doors from golf ball at 611.
- Planted new choke cherry and lilac bush at the roadside of 601.
- Swept/blew/mopped all campus entry steps.

July 2017:

- Looked at rotting deck wall at 632 and replaced rotten deck boards.
- Replaces rotten stair treads at 629
- Replaced broken privacy wall boards at 630
- Met with lake Glass to re-measure broken window from golf ball at 611.
- Performed board walk around campus
- Expert Finishes started painting and prep at 609-612.

August 2017:

- Lazaretto Construction performed deck repairs at units 630 and 631.
- Expert Finishes completed painting and staining at units 609 and 612.
- Started deck repairs at units 620, 617, 608, replaced rotten OSB deck walls.
- Replaced broken irrigation head between units 620 and 625.
- Replaced rotten OSB along stairwell at units 626-622.
- Expert Finishes completed painting and staining at units 617-620.
- Replaced broken window above porch slider at 611 from golf ball damage. (Working with the golfer's insurance to pay)
- Weed & feed application done around campus.
- Looked at window weather seals at units 631 and 603.

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