

Crail Ranch Townhomes Annual Owners Meeting

Wednesday, December 30, 2020 at 10:00 am

Meeting Minutes

Call to Order

Josie Erickson called the meeting to order at 10:05 am.

Attendance

Owners present included Ron and Nancy Kurz, Vince Meng, Charlie Callander, Josie Erickson, Rick Hamm, Steven Tally, George Bray, Jerry Mistretta, Jerry Hood, and Chuck O'Reilly. Others present included Scott Hammond, Ryan Welch, Mike Palmer and Seanna Farrow of Hammond Property Management, Rich Lindell with Lindell & Associates, and Tim Kent with First Security Bank.

Quorum was established with 78.9% of owners represented either in person or by proxy.

2019 Annual Meeting Minutes

Jerry Hood motioned to approve the 2019 meeting minutes as presented; the motion was seconded. The minutes were approved.

Financial Review

Rich Lindell presented the financial reports. There is currently \$49,280 in cash, and \$184,896 in checking. All accounts receivable has been collected. A surplus of \$10k is projected by year end. Overall, the HOA is operating about 9% under budget.

Proposed 2021 Budget

After conversation later in the meeting, Jerry Hood motioned to approve the budget as presented; Josie and Charlie seconded the motion. All were in favor and the budget was approved as presented. During a budget review meeting prior to the annual, the dues were increased based on estimates of a \$1.5 mill loan for the cold-roof project and the budget is a reflection of contributing to the reserve fund for pursuing the project. It was noted that the 2022 budget will be more accurate as costs becomes clearer and the project progresses.

Managers' Report – Hammond Property Management

Ryan's managers' report was included in the meeting packet. Highlight included:

- Shoveled out propane tanks and checked propane levels.
- Completed drywall repair work from winter roof leaks.
- Expert Finished completed extensive paint touch up work around the campus.
- HPM walked the campus with Cornerstone Management Services regarding the cold-roof project.
- Facilitated annual routine maintenance items – boiler inspections, window cleaning, chimney cleaning, etc.
- Facilitated gutter cleaning throughout campus.
- Installed new, larger unit numbers at each unit.

OLD BUSINESS

Effluent Water Tie-in

Ryan with HPM met with Gallatin Water Works about hooking the campus irrigation system into Big Sky's effluent water. This project has been completed successfully at other complexes throughout Big Sky, and Ryan has submitted the permit application for doing so at Crail Ranch.

Tiger Grant Update

At this point, the county is finalizing all the Right of Way acquisition that is required for the project, which should wrap up within the next few weeks. The project is going to go out for bid as soon as the right of way is secured. The project is

anticipated to start this coming summer, but the phasing of project components will not be finalized until a contractor has been selected and hired.

Summer Project List

The privacy wall replacement of units 90 and 100 has been scheduled for this summer which will complete the project. Other projects that need to be discussed and prioritized by the board include the installation of metal walkway railings and remaining concrete driveway aprons.

NEW BUSINESS

Roofing Discussion and Update

History of Roofs

Throughout the duration of original construction there were 4 builders over a 4-year period. Roof leaks and ice damming have been noted across most units, some worse than others, resulting in interior damage and repair work. HPM partnered with Cornerstone Management, a contractor familiar with the Crail Ranch Townhomes complex, to draft design documents of the complex. This process is nearing completion, at which point the HOA will own the design documents and can send to contractors for bid through the RFP process.

Project Financing

Tim Kent with First Security Bank was present to help the group understand the loan process for building and construction. During the building and construction period (*estimated 2-year timeline*) the HOA is only responsible for paying interest on the money drawn during that time. Interest is not paid on the full amount until money is used. At the end of the construction period, before the loan repayment period starts, each unit owner can repay their portion. Annually during the loan period, a unit owner can decide to pay the lump sum amount, rather than continue to be charged the annual assessment portion of the loan. The assessments contributing to the loan or reserve fund will be divided by owner percentage as normal dues are – Creekside 5.52%, Meadow 4.48%.

First Security is comfortable with an 18-year amortization repayment schedule period on a roof project, but there are many shorter options for the board to consider. In terms of interest rates there are several options: a 3, 5, 7- or 10-year adjustable rates are available. The shorter the period, the lower the initial rate (currently just over 4%). There is an option of going up to a 10-year adjustable rate; this would be an 8-year amortization on top of the 2-year construction period with a fixed rate during the loans lifetime.

Tim noted a 1% origination fee from First Security on the loan and no other fees. A 10% contingency line-item should be considered regarding the project budget for any unforeseen costs. The board President and Treasurer will be responsible for signing off on the loan with no personal liability to the unit owners. The board agreed to seek bids from other banks for consideration; however, national level financial institutions are unlikely to show interest in this project in the same fashion as local financial institutions.

Jerry motioned to empower the board to enter competitive and reasonable financing on behalf of the HOA following the initial Request for Proposal (RFP) process and the choosing of a contractor for the cold-roof project as discussed. Josie seconded the motion. All were in favor and the motion passed unanimously.

Results of Board Member Election

There were two open board positions, each for a 2-year term. Both Josie Erickson and Vince Meng were re-nominated for the two positions via ballot and elected for another term. The minutes were amended to reflect board communication via email on 8/12/21 to clarify board positions. The current board positions and terms are as follows:

- President: Josie Erickson (2-yr term, Dec 2020-2022)
- Vice President: Vince Meng (2-yr term, Dec 2020-2022)
- Treasurer: Jerry Mistretta (1-yr term, Dec 2020-2021)
- Member at large: Charlie Callander (1-yr term, Dec 2020-2021)
- Member at large: Jerry Hood (1-yr term, Dec 2020-2021)

Next Annual Meeting Date

The next annual meeting was scheduled for Thursday, December 30, 2021 at 10:00 am, MT.

Adjourn

Jerry motioned to adjourn the meeting at 11:25 am; Vince seconded the motion.