

**Elkhorn Creek Lodges, a Condominium
Association 2023 Annual Meeting
Wednesday, September 13, 2023 4:00PM, MST
Hammond Property Management Office and via
Go to Meeting**

Minutes

Call to Order

After resolving some technical issues, Katherine Lewis called the meeting order at 4:39pm.

Attendance

In-Person: Members – Katherine & Bruce Lewis and John Richards. Hammond Property Management (HPM) – Mike Plamer, Shelley Henslee, Jamie Anderson.

Virtually: Members – Jon Robinson, Jon Kennedy, Deb Hensold, Aaron Swaim, Laurie Simon, Mark Squire & Kathleen McMahan, Fred & Devonnie Stemp, Greg Gault, Susan Scacht, Nick Abedi, Shellea Swan, Lisa Fisher, Michael Klein. Doug Shanley – accountant.

Quorum

Klein and Shanley confirmed the quorum of owners present either in-person , virtually, or by proxy was established with 17/18 by unit count and 95% by % ownership.

Roof Update

K. Lewis presented the roof update. Roof experts were on site on September 11 and 12, 2023. On Sept 12, 20 people including owners, experts, attorneys, and adjusters were on-site for the demo inspection. Although the roof assemblies of building 1 and building 2 are very similar, the attic and insulation are very different. Building 1 attic space is filled with more than 5" of foam limiting the actual space in the attic. Building 2 does not have foam insulation. Therefore, modifications made to building two may not apply to building one .Enumclaw (HOA's insurance company) stated that no modification can be made to either building until released by Enumclaw. The report from the roofing experts is expected in the within the next 2 weeks.

Approval of 2022 Annual Meeting Minutes

Richards made a motion to approve the 2022 Annual Meeting Minutes. Seconded. All in favor. Motion carries.

Review Financial Report

Richards and K. Lewis present the financial reports. Richards stated that to date, owner receivables are paid in full, and all accounts are correct and balanced. The financial reporting going forward will be presented on an accrual basis.

Reserve Study - K. Lewis reported Reserve Advisors has been retained to present a reserve study. They have already been on site and will present a report / recommendations to the Board of Directors (BOD) in October. The report will help the COA Board in the future

process of clearly defining common elements and limited common elements. Their initial recommendation, based on the size, age, and needs of the HOA, estimates the need for the reserve account to have a balance of \$200,000 to \$500,000.

Snow Roof Shoveling - Regarding the Profit and Loss Statement, the BOD is hopeful the HOA will be able to recoup some of the money spent on roof shoveling in 2023 from the involved insurance companies.

Propane – Through June 2023, the propane budget was over \$8150. Anderson stated that during winter 2022/23 the propane was turned off on sunny days but there were more extremely cold and snowy days than is usual which caused the propane line item to go over budget. Currently, the common area propane is controlled differently in the two buildings. Building 1 does not have any type of controller or sensor to control propane usage. It must be manually turned on and off. Building 2 has a controller but needs to be adjusted. The goal is to get both buildings on timers/sensors to make the process more efficient and automated which should reduce the propane use and expense.

Presentation & Review of 2024 Budget Draft

K. Lewis presented the proposed 2024 budget. Operating expenses have been increased by 6% and reserves have been increased by 53%. The proposed total operating expenses for 2024 are \$314,100. The COA Board will call a meeting in November to update the Unit Owners on the results of the Reserve Study and as the Building Roof expenses have more clarity. A decision will be made as to whether or not an assessment will be necessary.

Snow removal – Roof snow removal expenses have been removed in hopes that the issues experienced during winter 2022/23 were an anomaly.

Electricity – LED lights were installed in all common area light fixtures which should help reduce the electrical expenses. For Building 1, the controls for the stairwell heaters will be locked off to prevent easy access to all occupants.

Water & Sewer – Henslee has set up automated email notification from Big Sky Water & Sewer when water usage exceeds what is expected. Richards stated that the lift station was recently inspected and is in good condition. It was recommended that the lift station floats need to be cleaned annually.

Garbage – Garbage expenses increased to allow for additional trash cans and pick-ups during busy seasons.

Planned Maintenance – The BOD has a long list of planned maintenance needs. Planned maintenance for 2024 includes, but is not limited to, adding no parking signs on campus, key pads on entry doors of both building, replace missing door in building 1, etc.

Professional Fees – Money was budgeted in this area for upcoming legal assistance. The governing docs need to be reviewed by an attorney to ensure they are up to date with current

Montana laws. This project will begin in spring 2024.

Painting and Staining – Anderson reported that it is impossible to find a contractor willing to paint one wall per building per year. Many contractors are booked out for 2 years. Anderson found a painting contractor that can get Elkhorn Creek Lodges on the schedule for 2024 but he is not willing to paint one wall per building per year. The recommendation is to paint one building per year and get the buildings on a regular painting/staining rotation.

Richards made a motion to approve the proposed 2024 budget. Seconded. All in favor. Motion carries.

Manager's Report

Palmer stated that most items on the manager's report were covered during the budget presentation. Across the HPM portfolio, HOAs are seeing increases/overages in roof maintenance/shoveling and insurance. Many HOA are seeing insurance premium increases between 10% – 20% across Big Sky.

Adjournment

K. Lewis adjourned the meeting at 6:07pm.