



SPANISH PEAKS OWNERS ASSOCIATION

Spanish Peaks Owners Association Board of Directors met September 15, 2014 at the CrossHarbor offices located at 123 Snowy Mountain Circle in Big Sky, Montana. Directors in attendance included: Matthew Kidd, via teleconference, and in person, Bayard Dominick, and Karen Roberts. Mindy Nowakowski and Mark Thorne represented staff.

- 1) **Establishment of Quorum:** Ms. Roberts determined that a quorum had been established.
- 2) **Call to Order:** Mr. Dominick called the meeting to order at 9:34 a.m. MDST
- 3) **Minutes of August 11, 2014:** Motion made by Bayard Dominick and seconded by Karen Roberts to approve the August 11, 2014 minutes as presented. Motion unanimously carried.
- 4) **Ratification of Snowplow Agreement:** Motion made by Bayard Dominick and seconded by Karen Roberts for the Board to ratify the five-year snowplow agreement. Motion unanimously carried.
- 5) **Ratification of Trail Contract:** Motion made by Bayard Dominick and seconded by Karen Roberts for the Board to ratify the contract between the SPOA and TerraFlow Trail Systems to build several new trails throughout the development. Motion unanimously carried.
- 6) **Ratification of Final FY2015 Budget:** Motion made by Bayard Dominick and seconded by Karen Roberts for the Board to ratify the final FY2015 budget. One minor change was made and agreed to by the board since the last board meeting. Motion unanimously carried.
- 7) **Appointment of Mark Thorne to SPOA Board of Directors:** Motion made by Karen Roberts and seconded by Bayard Dominick that Mark Thorne be appointed to the SPOA Board of directors. Motion unanimously carried.
- 8) **Appointment of SPOA Officers:** Motion made by Karen Roberts and seconded by Bayard Dominick that Mark Thorne be appointed secretary of the SPOA, Bayard Dominick be appointed President of the SPOA, and that she remain as Treasurer of the SPOA. Motion unanimously carried.
- 9) **Final Reserve Update:** Ms. Roberts reported to the board that the final report of the 2014 reserve update had been completed and received. Reserve Advisors had previously supplied Ms. Roberts with the reserve contribution schedule so that the correct amount could be incorporated into the FY2015 budget. Ms. Roberts also said that Jon Olsen, the in-house engineer for CH SP Acquisition LLC, had reviewed the document and confirmed that all was in order. Mr. Olsen and Tanner Oldenburger of Reserve Advisors determined that the bridges over the ski trails do not present a separate issue from the roads that are built over them. The ski trail tunnels are the responsibility of the developer.

In addition, Ms. Roberts has instructed the accountant, Doug Shanley, to transfer \$4,046 from the operating account into the reserve account to adjust the year-end reserve balance to the recommended amount per the reserve study. This difference was due to less interest being earned on the reserve account than had been estimated by Reserve Advisors.
- 10) **Engagement Letter for Legal Services:** Ms. Roberts asked the board if the SPOA should have Mindy Nowakowski draft an engagement letter for the association. All agreed that this should be done.
- 11) **Management Company Issues:** Ms. Roberts summarized the issues that she and Norm Plaistowe, the chairman of the ARC, have experienced with Alpine Property Management (APM) since Sam



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Luedtke took over from Brian Schmidt in October 2013. As outlined in her recommendations included in the board package, Ms. Roberts asked the board to agree to her and Mr. Plaistowe meeting with Mr. Luedtke and Markus Kirchmayr, the minority shareholder in APM and prior owner, to discuss SPOA and ARC expectations for the coming year. All agreed to have an 11-month contract this year with the stipulation that the APM performance improve markedly by August 31, 2015. If performance of APM is not satisfactory by this date, the board will send out RFPs from other local property management companies.

- 12) **Accounting Treatment of Trail Costs:** Ms. Roberts explained how the prior developer had capitalized and depreciated the cost of the original trails system of which there are four years of depreciation left (\$116,821). She recommended that the cost of the new trails be expensed and that the undepreciated balance of the original trails be written off. The SPOA does not own the land on which the trails are based—it simply needs to maintain the trails. All board members agreed.
- 13) **Noxious Weed Spraying Update:** Ms. Roberts reported that PPYC Spraying had completed their work for this season and had done a good job. This year, in order to enforce the Declaration regulation that all property owners control noxious weeds on their land, Ms. Roberts asked that Melissa Bradford, owner of PPYC Spraying, review all of the unsprayed properties and supply a report of the types of noxious weeds present on the properties and levels of infestation. Ms. Bradford reported that following results from her review:
 - a) Heavily infested lots—7
 - b) Moderately infested lots—52
 - c) Minimally infested lots—116
 - d) Lots essentially free of noxious weeds—29

Ms. Roberts asked the board for permission to send letters to owners of the heavily infested and moderately infested lots letting them know what noxious weeds were found on their property and that they need to control the weeds. The board agreed.

Since the budget for next year's weed control has been approved, Ms. Nowakowski reminded Ms. Roberts that she could go ahead and update the current weed control contract so that PPYC could begin spraying whenever they felt it was necessary next spring.

- 14) **Date of Next Board Meeting:** The next board meeting will be held on November 14, 2014, at 9:30 a.m. MST.
- 15) **Adjournment**—Motion made by Mark Thorne and seconded by Karen Roberts for the Board to adjourn the meeting. Motion unanimously carried.

Meeting adjourned at 10:02 a.m. MDST.

Mark Thorne, Secretary for the Board

Date