



SPANISH PEAKS OWNERS ASSOCIATION

Spanish Peaks Owners Association Board of Directors met December 5, 2013 at the law office of Mindy Nowakowski in Big Sky, Montana. Directors in attendance included: Matthew Kidd, via teleconference, and in person, Bayard Dominick, and Karen Roberts. Mindy Nowakowski represented staff.

1. **Establishment of Quorum:** Mr. Kidd determined that a quorum had been established.
2. **Call to Order:** Mr. Kidd called the meeting to order at 10:35 AM.
3. **Minutes of November 20, 2013:** Motion made by Bayard Dominick and seconded by Karen Roberts to approve the November 20, 2013 minutes as presented. Motion unanimously carried.
4. **SPOA Investment Policy**—The Board discussed the current draft of the investment resolution and policy and agreed for Ms. Roberts to work with Ms. Nowakowski in making a few changes to the current resolution. Once the draft is updated, Ms. Roberts is to submit the investment policy asking for investment recommendations and a proposal from the following four companies:
 - i. A.J. Matosich of Morgan Stanley
 - ii. Bratton Dubose of Wells Fargo Investment Services
 - iii. Jared Hauskins of Edward Jones
 - iv. Timothy Owen of D.A. Davidson & Co.

Once the proposals are received, the Board will review them and determine whether the funds currently held at Wells Fargo should be invested using one of the investment companies above, or whether it is better to leave the funds at Wells Fargo and continue to receive the .35% cost credit that is applied against the monthly bank fees.

Motion made by Bayard Dominick and seconded by Karen Roberts to have Ms. Roberts update the investment resolution and policy and to submit the policy to the four potential investment managers for their recommendation and proposals. Motion unanimously carried.

5. **Use of Animal-proof Trashcans**—Since the last board meeting on November 20, 2013, Ms. Roberts has investigated options for addressing the bear problem in Spanish Peaks in relation to trash and the use of animal-proof trashcans. Ms. Roberts presented three options to the Board including a resolution to enforce the use of animal-proof trashcans:
 - a. **Construction of a Trash Compactor/Collection facility**—Although this initially seemed like a good solution to the animal/trash issues, after investigating this option further, Ms. Roberts found two major disadvantages to the proposal:
 - i. The ongoing costs could be as high as \$90,000 per year. This figure includes approximately \$65,000 for someone to check the facility four times each day 365 days a year to ensure that all trash is handled properly and that the area in and around the facility is clean and free from debris. The monitoring cost of \$65,000 was estimated as follows: four trips each day at \$45 per trip by the management company. Although hiring a part-time person to do the monitoring could reduce the monitoring cost, the overall annual cost of hauling the trash away plus the cost of monitoring the facility would still be \$50,000 to \$60,000 per year.

- ii. There is no way to eliminate the odor from the trash collection facility and the odor will still attract bears and other animals to the area.

b. **Enforce the Use of Animal-proof Trashcans by All SPOA Homeowners**—The current CC&Rs for Spanish Peaks require that all trash be contained in animal-proof containers prior to the containers being placed on the roadside for pickup. Up to the date of this board meeting, this regulation has not been enforced. In order to enforce this regulation, the Board would need to

- i. Encourage each current homeowner in Spanish Peaks to contact Republic Services (formerly Allied Waste) and request a bear-proof trashcan.
- ii. Determine a phase-in period for members to obtain a bear-proof trashcan. In order for Republic Services to obtain a sufficient number of bear-proof trashcans to supply all of the homeowners in Spanish Peaks with this type of trashcan, they would need to be contacted and the trashcans ordered by December 31, 2013. Since it is already the first week of December, it would be unreasonable to expect all SPOA members to be notified and order their trashcans within the next three weeks.
- iii. Monitor compliance of each SPOA member obtaining a bear-proof trashcan.
- iv. Monitor use of the trashcans ensuring that they were not placed out overnight. Although the trashcans are bear-proof, the bears tend to drag them into the woods. As such, placing the bear-proof trashcans on the curb overnight or longer is not an acceptable option for SPOA members.

The cost of a bear-proof trashcan is \$54.75 per month versus the standard trashcan that costs \$43.40 per month. Both costs are exclusive of the fuel re-charge that gets added to the quarterly bills.

c. **The SPOA Contracts Directly with Republic Services to Manage Trash Collection for All SPOA Homeowners**—Rather than having each homeowner contact Republic Services and request a bear-proof trashcan individually, the SPOA could contract with Republic Services on behalf of all of the SPOA homeowners and consolidate the trash collection process for the community. Under this option

- i. The SPOA could order all bear-proof trashcans by the end of December 2013.
- ii. The bear-proof trashcans could be delivered to all Spanish Peaks homes during April 2014.
- iii. The SPOA would only need to monitor timely use of trashcans.
- iv. One drawback with this policy is that all homeowners would need to pay for 12 months of service verses asking for service only when in residence at Spanish Peaks. On an individual basis, a homeowner may stop trash collection when they are not residing at their Spanish Peaks home.

After discussing the various options, the Board decided to pursue having the SPOA contract directly with Republic Services on behalf of all of the homeowners in Spanish Peaks. The benefits of this option are:

- i. Bear-proof trashcans can all be in use by this coming spring

- ii. The SPOA will be able to ensure all homeowners use bear-proof trashcans since it will be in charge of acquiring the trashcans for each home.
- iii. The SPOA hope to negotiate a 10 to 15 percent discount with Republic in exchange for the consolidating the business and streamlining their processes.
- iv. The Board feels that providing the trash-pickup service for the community is a convenience to the members that the SPOA wishes to provide.
- v. Gallatin County is currently revising the zoning regulations to require the use of animal-proof trash for all homes in the greater Big Sky area.

The Board agreed to change the draft resolution as follows: The \$1,000 penalty for the second offence related to placing a trashcan on the road outside of the specified hours was changed to:

- i. First, second, and third offenses will be determined within the same twelve-month timeframe.
- ii. The first offense would produce a letter from the Board including a photograph of the trashcan indicating the date and time the photograph was taken.
- iii. The second offense within the same twelve-month period as the first offense would produce a letter from the Board including a photograph of the trashcan indicating the date and time the photograph was taken plus a fine of \$500 that would be added to the quarterly assessment invoice and subject to the same collection remedies as any assessment under Section 5 paragraph 4 of the CC&Rs.
- iv. The third offense within the same twelve-month period as the first and second offenses would produce a letter from the Board including a photograph of the trashcan indicating the date and time the photograph was taken plus a fine of \$1,000 that would be added to the quarterly assessment invoice and subject to the same collection remedies as any assessment under Section 5 paragraph 4 of the CC&Rs.

Motion made by Bayard Dominick and seconded by Karen Roberts for Ms. Roberts to negotiate as large of a discount as possible with Republic Services and to proceed with the necessary steps to consolidate the trash collection service through the SPOA. Ms. Roberts is to collaborate with Ms. Nowakowski to update the animal-proof trashcan resolution as indicated above. Motion unanimously carried.

Ms. Roberts was asked to contact a number of the SPOA Members to find out how they feel about the SPOA managing the trash collection service for all members and to prepare a presentation for this proposal at the annual members meeting to be held on December 27, 2013.

- 6. **Annual SPOA Member Meeting**—Ms. Roberts reviewed the contents of the annual meeting package and the agenda for the Board’s review. The Board agreed for her to prepare a draft of the package for its review. The target date to distribute the package to the members is December 13, 2013.

7. **Other Business**—Ms. Nowakowski updated the Board on the investigation she is performing on the chronically delinquent SPOA accounts. She will be working with Ms. Roberts to show her how to find alternative collection options for the chronically delinquent accounts with significant past due balances.

8. **Adjourn**— Motion made by Karen Roberts and seconded by Bayard Dominick for the Board to adjourn the meeting. Motion unanimously carried.

The next meeting of the SPOA will be held on Friday, January 10, 2014 at 9:30 AM MST.
Meeting adjourned at 11:44 AM MST.



Bayard Dominick, Secretary for the Board



Date