

MISSION BAY HOMEOWNERS ASSOCIATION  
P.O. BOX 1775  
POLSON, MT 59860  
(406) 883-1730

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Mission Bay Steering Committee  
Meeting  
November 20, 2008  
**Minutes**

Present: Rick LaPiana, Committee Member  
Wayne Finney, Committee Member  
Ron Hone, Committee Member  
Jill Southerland, Committee Member  
Russ Pilcher, Committee Member, Board Member  
Dennis Duty, Board Member  
Glenn Gordon, Association Manager  
Kari Mausshardt, Accountant

The meeting was called to order on November 20th, 2008 at 10:40 a.m.

Community Center Re-financing

The re-financing of the Community Center will be with First Interstate Bank. A letter from First Interstate Bank was provided to members that disclosed the proposed terms. The rate will be fixed at 6.5% for 5 years. The amortization period is 19 years. The current principal loan balance is \$627,547. One requirement of the new loan is for the operating account to be moved to their bank.

Community Center 2009 Budget

Members were provided a proposed budget for 2009 with projected actual results for 2008 for comparative purposes.

- The savings from the re-financing was allocated to the reserve.
- A portion (1/2) of the lease income from the realty company was moved to the reserve.
- The association management position will be paid entirely by the association effective 7/1/09. The developer will pay 25% of those costs until 7/1/09.
- An estimate for tennis court annual maintenance has been included as an operating expense in 2009. In 2008, the maintenance was charged to the reserve (because it was a more significant re-conditioning that's recommended to occur once every three years).
- Other expense line items discussed in detail included propane costs, janitorial labor, window cleaning, daily maintenance of pool and tennis courts.
- A supplementary schedule was reviewed with details regarding dues income. The proposed budget included an increase effective 7/1/09.
- The Steering Committee recommended that the increase in dues be decreased but go into effect earlier, on 1/1/09. They also asked that all expenses be reviewed once again and trimmed. Several members voiced their expectation that all expenses be managed in

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2009 with a primary focus of reducing them. The proposed increase in operating dues is \$7/month but may decrease after the additional review.

- The Steering Committee requested that some disclosures be added to the report that will be mailed to owners with the meeting notice to explain the treatment of lease income and some of the other significant changes compared to the prior year.
- The Steering Committee requested that Glenn's job description be emailed to all members. Rick clarified that since the association will soon be paying 100% of the position, the oversight of the position will transition to the Steering Committee.
- Rick and Ron agreed to oversee a review of how subcontractors are hired and managed, specifically in regards to sub-associations, to determine what cost savings measures may be implemented. They agreed to discuss any proposed changes with the representatives of the various sub-associations.

#### Homeowner request to opt out of the Community Center

Dennis described the history of how owners joined the Community Center when it was approved, since it was not included in the original plans for Mission Bay. When the center was approved, the owners at that time were given an opportunity to opt in or opt out of the Community Center. Dennis recently received a letter from a current owner requesting that they be allowed to opt out of the Community Center. The lot they purchased was one that was not part of the Community Center when the center was approved. Because of a unique circumstance with the original owner and a request made by his family when he chose to opt out of the Community Center, the Board agreed the lot could be added to the Community Center when the original owner sold the lot, if all retroactive dues were paid at the time of sale. When the current owner purchased the lot from the original owner, they were billed and paid the retroactive dues for the Community Center. Dennis also noted that in addition to paying the dues in full to gain the Community Center privileges, they have used the Community Center facilities. Dennis reviewed the owner's request with the Board and consulted with the attorney who assisted in the formation of the Community Center. The attorney advised that since they paid the retroactive dues and used the facilities, they do not have an option to discontinue their membership in the Community Center.

A motion was presented by Dennis Duty that the owner's request to discontinue their membership in the Community Center be denied and that no other owners be allowed to opt out of the Community Center. The motion was unanimously approved.

#### Delinquency Policy

Kari provided a draft of a delinquency policy for the members to review. The members requested some changes and agreed that the policy be presented at the December general meeting.

Jill noted that this policy is one of many that will need to be implemented in the future, citing landscaping violations as an example.

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Request from owner to provide fitness training using the exercise room at the Community Center  
Glenn shared a letter to members from an owner who would like to provide fitness training to members. The committee discussed the request and possible issues at length. The committee recommended that the owner be allowed to provide the training for the initial number of sessions requested to owners only but that the recommended schedule be modified because of a conflict on one of the days.

Mission Bay Master Association 2009 Budget

Members were provided a proposed budget for 2009 with projected actual results for 2008 for comparative purposes. They were also provided with a supplementary schedule that provided details for many of the maintenance expenses as well as income from dues.

The projected results for 2008 were discussed first because of some issues that will affect the 2009 budget. All of the issues were discussed at length during previous meetings. The tree issue and irrigation water issue were discussed once again. An additional amount was received from one of the owners for the tree issue. The remaining amount will be written off in 2008. The irrigation water issue has been treated on the financials as though it has been resolved however Kari cautioned that amounts are still due from contractors.

Kari explained that new common areas were added in 2008 that will increase maintenance costs in 2009. In addition, as discussed at prior meetings, irrigation expenses are expected to increase due to more common areas and the expected replacement of a defective meter by the city.

Kari described the details provided on the supplementary schedule for the landscaping costs including plant beds, lawn mowing, and fertilization. Discussion was held regarding whether or not to decrease the mowing schedule. Kari noted her concern again about irrigation water. Russ asked about the efficiency of irrigation water. Kari noted that Glenn has received feedback from someone who assisted in setting up many of the systems. His feedback is that most areas within Mission Bay are being over-watered. The members asked questions about various line items, including accounting, property taxes, postage, miscellaneous maintenance.

Road re-striping was discussed as a possible charge to the reserve in 2009. The members recommended that the road re-striping be postponed to 2010.

The members recommended that the increase for the master association be \$3.00 per month effective 1/1/09.

Discussion was held regarding cash management practices. All reserve accounts were moved to Whitefish Credit Union in August 2008. Kari also noted that excess operating cash will be temporarily transferred to the credit union when it is available, noting that March to June is the period when the association typically has the highest operating cash balances due to seasonality issues.

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Automated Payments

Kari provided some examples of fees if the association accepted automated payments via debit or credit cards. The committee recommended that the association not change the payment options at this time. The existing payment options are check or automated payments from a bank account. Many owners also have automated payments set up through their personal financial institutions.

Other Business

The members requested that email be utilized in 2009 to eliminate paper and postage costs.

The members discussed some issues regarding the management of violations of landscaping guidelines, etc. The members recommended some improvements that need to be implemented to provide more timely enforcement. Discussion was also held regarding organizational changes to be implemented by the committee as the association transitions away from one that's been managed by the developer to one that's managed by owners.

The meeting was adjourned at approximately 1:30 p.m.