

## 2024 Annual Meeting Minutes for Tuesday June 18, 2024

Officers Present: Kasey Watson, Tom Luhrsen, Jonathan Merrill,

Officers Absent: Nick Coddling

Members In Attendance:

- Jessica & Michael Hodges
- Brian & Lorie Lane
- Travis & Maria Hansen
- Reese Haley
- Jacob Krause
- Kari & Tim Benjamin
- Randolph & Roseanne Kushin
- Ryan Gummer

Quorum Present: No

The meeting was called to order at 6:00 p.m. The board introduced themselves. Kasey noted that one board vacancy exists when occurred in April, so only four. Due to the proximity of the annual meeting, it was best to wait for elections at annual meeting.

Kasey read the 2023 Annual Meeting Minutes aloud for the group. After which he asked if any community members had any questions or would like anything repeated. No questions or requests. Kasey made a motion to approve 2023 Annual Minutes. Motion seconded by Jessica Hodges. Motion passed.

First item on agenda was a review of the 2023-2024 accomplishments. Kasey summarized a list which included:

1. accounts receivables of 93% for the previous years dues – 10 total lots did not originally pay. The board filed 7 liens, 4 of which satisfied as of the date of the meeting, 4 remain in effect, 3 lots are in alternative arrangements due to mail destruction/new addresses.
2. Securing of a new, more reliable road grading vendor local to Three Forks. Vendor is very responsive, easy to schedule, and two additional gradings are planned for July and October.

3. Open communication to the board from members, realtors, external contacts. Goal of this board was a three day response to any inquiry received or a follow-up on progress. This includes improvements with disputes as well as questions from potential buyers looking to purchase lots within the community.
4. Mowing and weed spraying for all common roads through the community which is roughly 10 miles (both sides of roads).
5. Culvert Project which includes 3 installations – 1 on the north end on Crimson Trail, two on Horizon loop on the south end.
6. New solar lights have been installed on the welcome signs. This was a previous board initiative which is now complete.

Kasey called for any questions or comments on board accomplishments. Tim asked a question regarding the budget figures. Kasey asked if we could hold that item while we close accomplishments. No other questions. Item closed.

Next item was the 2024-2025 budget. Kasey invited the group to look at the proposed budget which was provided in the meeting mailer but also available on the tables (also enclosed with these minutes). Jonathan Merrill provided a Treasurer's Report overview of expenses by category speaking to the total 'out of the year' in comparison to the amount brought in through dues.

Kasey provided an overview of the board's recommendation which was to maintain dues at \$250/lot. The recommendation was based on a projected spend of \$29,250 for the coming year. As of 6/30, savings account balance was \$30,000 and checking was \$14,672.97. Kasey explained it is expected that 10% or roughly 94 lots may not pay dues, termed allowance for doubtful. Assuming an annual dues collection of \$23,000 and factoring in the amount of rollover funds in the checking, it should leave roughly \$8,000 in excess in June 2025. Board expressed this goal of maintaining the savings balance at \$30,000 plus interest as an enforcement of the bylaws which require a sufficient reserve equal. The board establishes sufficient to mean enough to cover one year's worth of expenses. Calculation detail was discussed via the step by step on the budget.

-Reese Haley requested the names and phone numbers of the board members.

Kasey again provided the names of the board members present and ability to share phone numbers as needed. He reiterated that the HOA email also connects to the board members should anyone need to reach out.

Kasey proceeded the discussion with a review of the budget notes. Website and marketing expenses continue to be a hefty expense for the HOA at \$49/month. A third party maintains the website which requires us to use service tickets for updates and lack of user control of

updates or improvements. It is recommend that website management be brought in house for 2024-2025. This would save roughly \$156/year and allow the board to make immediate updates, post comments, and self service.

Second budget item was related to accounting fees. Kasey explained that a previous contract for a CPA had a residual payment during this last year, however that contract was terminated. The only other items included in the accounting costs were for taxes related to the state filing.

Legal fees were the third category discussed. Kasey also explained that no active legal costs were incurred this past year except for lien filings. The board is recommending a \$5,000 legal budget for the coming in preparation for potential review of covenant updates.

Fourth category discussed was insurance which includes two policies – a director and officer and a liability policy both for the board. Anticipating a 5% increase in costs for the coming year.

Fifth budget item was office supplies to include printer ink, envelopes, and Microsoft licensing costs for the computer.

Sixth expense was mail/postage. The board budgets for six community mailers this coming year at a cost of roughly \$50 per round. Additionally costs related to certified mail for demand and lien notices are also factored in.

Seventh category was quickbooks charges which is the financial system used for dues management and financial reports. It is roughly \$30/month plus accounting for online payment fees for lot owners who wish to pay electronically, which is deducted from MSE deposit so trying to build up to absorb the loss.

Last budget item was repair and maintenance. Road maintenance continues to be the largest expense for the HOA which includes (3) gradings, (4) rounds of snow plowing, and annual right-of-way mowing and spraying. Road maintenance this past year was more than expected due to the culvert projects. Additionally, it is time to do a test/inspection of the fire suppression tanks.

-Kari Benjamin asked if grading was done on Crimson Trail in the February grading. The board confirmed yes all cul-de-sac's were completed.

-Reese Haley requested financials and expenditures list for the last three years. Kasey noted that the previous year was provided to all included in the budget. 2022 could be provided, however anything prior is not available. Software changes occurred in 2022 and this board does not have access to those previous records. A full profit and loss and



balance sheet were made available to all attendees of the meeting and can be made available by request. Follow-up noted.

-Reese Haley asked for grader's contact information. Kasey made a note to the group that the board is happy to share any contact information for any vendors utilized but it is the expectation that if a lot owner has a concern regarding a service, they inform the board and not the vendor. Doing so would cause undue frustration for vendors making it even more difficult to find decent contractors who will service our community. The board is responsible for representing the entire community which includes communicating with vendors.

-An additional comment was made regarding mowing/spraying. Kasey reminded the group that it is a requirement for the rights-of-way to be mowed and sprayed each year for weed control. If a lot owner doesn't wish for that to happen in the sections on their lots, they may inform the vendor as they approach in a respectful manner. The board's instruction is for all right of ways to be completed.

-Tim Benjamin asked what the name of the chemical is being sprayed. Answer was not known but noted to check with vendor.

Kasey asked for any final questions on budget and board's recommendation. No questions raised. Item closed.

Next agenda item was on community concerns or discussions for the coming year. The discussion began with a question from Tim Benjamin regarding what the board's responsibility is to homeowners. The board responded uniformly that our responsibility is to enforce and collect dues to maintain the community and uphold all expectations of all homeowners. The discussion turned to the circumstances surrounding pigs in Lot 102. Kasey provided an overview for the group detailing a violation notice, collection of information to support a variance request, and a approved variance for Lot 102 to temporarily house swine related to a youth 4H project ending July 2024. Additional discussion and conversation added by Ryan Gummer, an adjacent lot owner who expressed frustration. Tom Luhrsen presented and discussed the mitigation he is engaged in and required by the variance including containment, waste removal, washing, and visual shielding. Discussion amongst tables and groups continued. Kasey made a request to table and meet with the impacted lot owners privately after the meeting to keep on track for meeting.

While on the item of livestock and animals, a reminder was made that chickens are being permitted subject to the 2021-2022 board, however roosters continue to be prohibited.

Chickens shall be confined, in an appropriate shelter, and limited to no more than 12 hens. Should anyone have questions on chickens, please contact the board to discuss.

Conversation shifted to the past year's Covenant Review Committee which has not met in some time. Tom Luhrsen responded that the previous meetings were not productive and schedules became a conflict. All board members injected that is still a need and a new committee will be formed following the annual meeting to pick up on progress and present recommendations for changes.

-Reese Haley and Tim Benjamin asked when the rescheduled annual meeting would occur as this meeting did not have a quorum. Kasey responded with confusion as to why another meeting would be needed. Discussion continued on this topic with various members joining expressing concern that another meeting is not needed. Kasey highlighted that quorum has not been met for the previous three years, which historically the attendance of the annual meeting has historically been used for voting of officers. The conversation continued with how other lot owners may have been confused or unaware of this meeting or that they could assign a proxy vote. Kasey reiterated that the mailer was issued to each lot owner and as today no mailers were returned. Additionally, the meeting was posted on the website well in advance. One audience member noted that if people wanted to be at the meeting they would have been there today and scheduling another meeting would not change that. Conversation continued with the general sentiment of the room that an additional meeting is not required.

Although opinion was general a additional meeting, the board noted they would review and issue notice for an additional follow-up meeting to be held in late July at the same location. Date to be determined. Kasey confirmed that aside from the purpose of said meeting would be limited to voting matter such as electing new officers and soliciting volunteers for committees.

A final call for questions or comments was issued by Kasey.

Kasey made a call for any volunteers on either Design Review Committee or Covenant Committee. Tim Benjamin and Reese Haley volunteered to serve on Design Review, continuing their role held currently. Ryan Gummer, Doug Kushin, and Travis Hansen volunteered for Covenant Committee. Kasey confirmed those volunteers and follow-up to come after additional meeting to appoint chairs to begin those efforts.

Meeting was adjourned at 7:30 p.m.

# MORNING SKY ESTATES

## NOTICE OF ANNUAL MEETING

**When:** Tuesday June 18, 2024  
6-7:30 p.m.

**Where:** United Methodist  
Church Annex  
124 2<sup>nd</sup> Avenue E  
Three Forks, MT 59752

**Agenda:**

1. Old Business
  - a. Board Introductions
  - b. Approval of the 2023 Annual Meeting Minutes
  - c. Review of objectives
2. New Business
  - a. 2023-2024 Accomplishments
  - b. Treasurer's Report
  - c. 2024-2025 Budget Review & Dues Assessment
  - d. Covenant Review Update & Suggestions
  - e. Community Concerns
  - f. Needs & Wishes
3. Call for Action
  - a. Call for volunteers and vote for Board Officers (1 vacancy)
  - b. Call for Committees
    - i. Covenant Review Committee
    - ii. Community Improvements
    - iii. Others?
4. Adjourn

**Reminders:**

- Please be respectful of time. The meeting will start promptly at 6 and end no later than 7:30 p.m.
- Please be respectful of others and discussion items.
- Help us stay on track. The agenda presented includes critical decisions that set forth the coming year's operations. It is important we get through each item.
- You are welcome to bring food & drink.
- This is an in-person meeting. Proxy votes are permitted but must be arranged prior to the meeting and documented in writing with your proxy.
- Meeting minutes including budget will be made available online following the meeting.



## Morning Sky Estates Budget Vs Actual

Expense Category/Account	7/1/23-6/30/24			7/1/24-6/30/25	
	Budget	Actual	Difference	Budget	Notes
Advertising/Promotional: Website Management	588	588	0	432	1
Contract & Professional: Accounting	340	600	(260)	450	2
Contract & Professional: Legal	3,188	50	3,138	5,100	3
Insurance	1,979	1,920	59	2,078	4
Occupancy: Utilities	480	467	13	500	
Office Expenses: Office Supplies	346	9	337	500	5
Office Expenses: Shipping & Postage	1,000	661	339	500	6
Quickbooks	0	370	(370)	1,140	7
Repair & Maintenance: Road Maintenance	15,435	24,354	(8,919)	17,750	8
Repair & Maintenance: Fire Supression	0	0	0	1,500	9
<b>TOTAL</b>	<b>\$ 23,356</b>	<b>\$ 29,020</b>	<b>\$ (5,664)</b>	<b>\$ 29,950</b>	

### Dues Summary

(A) Total Projected Expenses	\$ 29,950
(B) Billable Lots	104
(C) Allowance for Doubtful	10% or 94
(D) Budgeted Dues per Lot	\$ 288
(E) Projected Checking Account Balance 5/31	\$ 14,672.97
(F) Savings Balance	\$ 30,000.00
<b>(G) Recommended 24-25' Assessment</b>	<b>\$ 250.00</b>
(H) 2024-2025 Annual Dues Assessment (G * B)	\$ 26,000.00
(I) Allowance for Doubtful (H * C)	\$ (2,500.00)
(J) Expected Due Collection (H - I)	\$ 23,500.00
(K) Total Projected Operating Funds Available (E + J)	\$ 38,172.97
(L) Anticipated Excess 6/30/25 (K - A)	\$ 8,223.02

### Notes:

- 1) Website is currently hosted and managed by TMRC. By bringing in-house, we would save \$156/year, able to make updates/improvements faster, and implement payments from website.
- 2) Actual includes a final payment to former CPA firm who conducted day to day services. Contract was terminated. Projection includes filing for Montana State Income Tax with possibility of other accounting services.
- 3) Actual includes a residual retainer payment for services in 2023. Projections reduced to account for county lien filings with contingency for potential legal matters, 10 lots at \$10/lot. Projecting \$5000 for legal expenses on possible covenant review.
- 4) Assuming the standard 5% year over year increase on D&O and Liability Insurance.
- 5) Office supplies include printer ink, envelopes, and adding microsoft office licensing.
- 6) Projecting 6 community mailers for the 2024-2025 year, with each mailer round costing roughly \$50. Additionally forecasting \$200 in certified mailing fees for collections.
- 7) Includes monthly quickbooks fee of \$30 plus interchange fees for online payments.
- 8) Actual included a special project of (3) culvert installations for critical points in the community, a one-time expense which was paid using available rollover funds. Budget is projecting:
  - (3) road gradings at \$3,700/grading
  - (4) instances of snow plowing at \$600/plow
  - (1) right-of-way mowing & spraying along with entry signs for \$4,000
- 9) Complete test and inspection of the fire suppression system. Bids in progress.

2024-2025 Annual Dues Assessment invoices will be mailed out to lot owners following the annual meeting and will be due by 7/31/24. If you'd prefer an electronic invoice, please confirm your email contact at the annual meeting or by sending an email to the board at morningskyestates@gmail.com, please be sure to provide your lot number(s). The board will do one reminder and late notice for any unpaid lots as of 8/1, due 8/31. Lien Notices will be issued and sent for filing with Broadwater County by 9/30. All late or lien notices will be subject to collection certified mail