

**QUADNA MOUNTAIN TOWNHOUSE ASSOCIATION
MINUTES OF BOARD MEETING
SATURDAY, JULY 23, 2022
COMMUNITY BUILDING – HILL CITY, MN**

1. Call to Order

The meeting was called to order by President Blaine Smith at 10:00 a.m.. The following directors were present at the meeting and constituted a quorum:

Blaine Smith
Joel Richards
Joanne Madsen
Neal Walker
David Klennert
Len McLaughlin

Others: David Stendal, Omega Management

2. Homeowner Input

There were several homeowners present to get an update as follows:

is a new owner. She stated she had made a maintenance request online that apparently was not received by our QMTA maintenance staff. Dave Stendal plans to resolve this by making a change on the new system at Omega to forward messages from QMTA owners to QMTA maintenance. The maintenance telephone number and e-mail will also be added to our website.

3. Approval of Agenda

Director Walker asked to add subjects of parking and the dumpster by building one to the agenda. Director Madsen asked to add a sales disclosure to the agenda. Director Madsen made a motion to approve the revised agenda, seconded by Director Walker. The motion passed.

4. Approval of Minutes

One change was requested to the minutes of June 11, 2022. The discussion regarding propane identified the wrong unit which is 329. A motion was made by Director Walker to approve the change. The motion was seconded by Director Madsen and passed.

5. Treasurer's Report – J. Madsen

Treasurer Madsen reported accounts receivable would be discussed in the separate Executive Session with board members only. She reported that our balance at Woodland Bank was approaching the maximum amount covered by FDIC insurance. She transferred \$20,000 to our account at Live Oak Bank. Our balance there is now about 230K including interest. She also reported that as of July 12, 2022 our interest rate is increased to 1.4%. A motion was made by Director Walker, seconded by Director Klennert to approve the treasurer's report. The motion passed.

6. Maintenance Report – J. Richards, N. Carlsen

Norm Carlsen reported on activities of the maintenance staff: lawn maintenance, trimming of bushes, a skunk problem (captured 5 so far), and going to work on buckthorn. He also reported that a large tree at building 7 required help to remove following a windstorm the previous night.

Director Joel Richards reported that the pool gate was damaged by last night's storm which he was able to fix and also his plans to again do mosquito spraying.

A motion was made by Director Madsen, seconded by Director Klennert to approve the report.

7. Management Report – D. Stendal
Financial Statements

At the end of June the total cash in the Operating accounts (excluding Propane) stood at \$62,769 and the Reserve cash balance stood at \$441,673. Although down from May, the total cash on hand still exceeded a half million, at \$506,058, including the \$1,613 in the Propane account. The cash decrease reflects the \$19,304 payment for the floatation system for the new docks.

Due to the software switch to Vantaca there are some adjusting entries that are delayed and will be reflected on the July financials.

Reserve Plan

A motion was made by Director Madsen, seconded by Director Richards, to ratify the proposal from Reserve Advisors for a 30- year reserve plan at a cost of \$5,250. The motion passed.

Annual Report

The final audit report for 2021 was received. The Association enjoyed another good year with not only the expected surplus in the Reserve Fund but also a healthy surplus of \$11,136 in the Operating Fund. The Operating Fund is budgeted to breakeven but with a \$10,000 Contingency Allowance. That means that we came within \$1,136 of the total annual operating expense budget of \$221,495.

The report will be forwarded to the membership via e-mail if that has been authorized by the owner.

Income Tax Returns

Our Federal and State income tax returns for 2021 disclosed that after taking allowable deductions for accounting services and the insurance premiums for crime coverage, there was no taxable income and therefore no tax liability on either return.

8. Unfinished Business

a. Electric Meter Service Availability Charges

Director Klennert reported that we have swapped out four meters. The meters have been returned to the electric company and we will no longer be charged for them.

b. Pool Replacement

President Smith reported that progress on the project is not as scheduled. A new location was required in order to avoid problems with existing sewer lines. The new location will utilize the space currently used by the deep pool. We will have to excavate the old pool. We have two bids for excavation - \$25,000 and \$26,550. While these costs were not part of the expected cost of the pool, it may subtract some work from the J&J bid. In addition, some savings may be realized since existing plumbing for the pool and restrooms can be used. The bid from J&J did not include the restroom structures. President Smith reported that J&J Pools has ordered the mechanical material, but has not charged us for it yet.

Director Richards stated the fence surrounding the deep pool will be taken out and given to Gene Benes.

c. Removal of Preway Fireplaces

We now have the opinion from our attorney which determined that the Board has authority to address the safety concern of the Preway fireplaces. A letter was prepared by Omega Management to go out to the membership on August 1 regarding the mandatory discontinued use of the Preway fireplaces. Director Richards is getting proposals from a local fireplace company with other options to preserve the ambiance of a fireplace to include with the letter. They may offer volume discounts based on the number of orders they receive.

Treasurer Madsen stated we needed to include the mandatory discontinued use of the Preway fireplaces in our Sales Disclosure. A motion was made by President Smith, seconded by Director Klennert to update the Sales Disclosure. The motion passed.

Director Richards will work with licensed fireplace installers to cap fireplaces and provide internal signs.

Parking

Director Walker stated that nothing had been done to identify one designated parking spot for each unit as agreed at the last board meeting. Further discussion was held on actions to be taken by our maintenance staff.

Dumpster by Building One

There have been complaints by owners in buildings 1 and 2 regarding placement of the dumpster. It was agreed that Norm Carlsen will work with Director Richards in the placement and surround.

9. New Business

a. Annual Meeting Preparations

D. Stendal stated that the 2022 Annual Meeting is scheduled for Saturday, September 3. Terms of Joanne Madsen and Dave Klennert will expire at this meeting. Meeting arrangements were discussed. Requests for people to fill the terms and complete information regarding their interest and experience will be e-mailed to the membership shortly so this information can be included in the final notice of the annual meeting. In accordance with our legal documents, the agenda, proxies, etc. will be delivered via mail or e-mail to the membership at least 21 days but not more than 30 days prior to the meeting.

There is also the unexpired term of Director Baranyk which should be filled by the Board. There is interest by Lisa Suchy, owner of unit 405, to run for the board. Subsequent to the board meeting, Lisa agreed to fill the unexpired term.

b. Propane Billing

D. Stendal stated the accounts receivable records in the new Vantaca software can be updated by downloading a properly formatted spreadsheet. That gives us the option of monthly billing for propane usage rather than the present system with upfront deposits and less frequent billing dates, which can result in some significant account balances.

His recommendation is to take the gas meter readings on the last business day of each month with the consumption charge appearing on the next monthly statement. The transition date could be October 1 at which time the credit or outstanding balance from the old propane receivable listing would be transferred into the primary Accounts Receivable system. And he suggested the separate bank account for propane usage would no longer be needed.

Treasurer Madsen provided information to board members regarding outstanding balances as of the June gas meter readings. It was agreed that courtesy calls would be made to all owners with a propane outstanding balance over \$100 to allow them some time to bring their accounts current. She also questioned whether the separate bank account could be eliminated since these funds are held in trust and are not association funds. Dave agreed to discuss this matter with our auditor, Scott Callahan.

10. Next Meeting

It was agreed our next board meeting would be held in October with primary agenda items of reviewing the Reserve Plan draft and setting the 2023 budget. The date will be scheduled later.

11. Adjournment A motion was made by Treasurer Madsen, seconded by Director Walker to adjourn. The motion was passed and the meeting was adjourned at 12:25.