

Meadow Lake Country Club Estates Homeowners Association, Inc.

**P. O. Box 2323
Columbia Falls, Montana 59912
(406) 892-8702
www.ml-hoa.com**

Diane Dubay, President
Paul Jaspar, Vice President
JoAnn Cate, Secretary
Peter Mueller, Treasurer

Gabriel Hagg, Director
Marvin Galts, Director
Jamie Duff, Director
Pete Glee, Manager

Board Meeting Minutes

Date: Saturday, March 17, 2018

Time: 10:00 AM

**Place: Meadow Lake Resort Inn Conference Room
(Upstairs in Timeshare Sales area)**

Members in attendance: Diane Dubay, Peter Mueller, JoAnn Cate, Jamie Duff, Paul Jaspar, and Pete Glee. Gabriel Hagg was connected by phone.

Also in attendance were Diane Craft and Ann Stephens.

Meeting was called to order at 10:02 a.m. by Diane Dubay.

Information:

- 1. Public Comments:** No public in attendance.
- 2. Approval of Minutes of Previous Meeting (12/09/2017)** Paul Jaspar made a motion to approve Minutes of December 9, 2017, and JoAnn Cate seconded. Motion carried.
- 3. Manager's Report: Pete Glee related the following:**
 - 1. Administrative**
 - a. The audit has been resolved, and all funds from missing payments and deposits have been reconciled.
 - b. The HOA needs to upgrade to Office 365 since there are compatibility issues with Office 2010. Diane Dubay asked what the expense will be, and Pete Glee stated that it is \$99.99 per year for use on 5 computers.
 - c. Both the timeshare position held by Paul Jaspar, who is finishing the term for Leslie Allen, and the homeowner position held by Jamie Duff, who is finishing the term held by Bruce Beecher, will be expiring this year. There have been no recent inquiries from owners regarding the positions; owners have until April 15th to notify the MLHOA if interested. Diane Dubay asked if the MLHOA solicits for the board positions, and Pete Glee said that the MLHOA does not solicit but does post the availability of the positions. Paul Jaspar inquired if it is posted on the homeowner site "Next Door", and Peter Mueller commented that this site is not available to timeshare owners. Diane Dubay suggested posting notice on the MLHOA website.
 - 2.** Pete Glee mentioned that, with Flathead County closing the recycling bins for plastic and tin, MLHOA needs to update the recycling notices in the Bulletin

Boards. He will be checking with the local recycling companies, Green Machine and New World Recycling, to determine the availability of pickup and costs if homeowners would like to recycle.

3. MLHOA is planning to hold the Board Social on June 22, 2018. Diane Dubay inquired as to who will be attending and if MLHOA should hold a social. Peter Mueller mentioned that there is confusion among the sub-associations as to the date of the Annual Meeting. Pete Glee will email the sub-associations to see if they plan to support the social event on June 22, 2018; if not, the Board Social may be for the MLHOA Board only.
 4. Pete Glee also reiterated the initiatives set this year to reestablish the COPS Committee and to update the Disaster Preparedness Plan. Diane Dubay mentioned that the idea from Paul Jaspar to have an AED (automated external defibrillator) on-site could fall under the scope of the Disaster Preparedness Plan.
 5. Diane Craft, administrative assistant, continues to scan and shred office paperwork to reduce the paperwork stored in the office.
 6. Diane Dubay suggested bullet 6 be added to include "our lease with MLDC is terminating and MLHOA needs to relocate the office". JoAnn Cate asked how the MLHOA office space will be used; Pete Glee stated that the timeshare center will move into our current space. He asked MLDC if MLHOA could rent a small office area near the conference room, but MLDC plans to expand the entire conference room and would have no space to rent. Pete Glee concluded his report.
4. **Financial Report:** Pete Glee reviewed the Budget vs Actual Report. He highlighted the higher Operating Expenses account due to credit card fees. Diane Dubay pointed out that the extra cost to MLHOA for credit card fees is a benefit since homeowners are paying promptly and A/R is reduced. Pete Glee also noted the increase for snow removal expenses due to a heavy snow year. Diane Dubay noticed that there had been no Valentine's Day Expense, and Pete stated that there had been no receipts submitted.

Paul Jaspar suggested a journal entry to allocate \$20,000 into the Road Reserve account; he will assist Pete Glee in making the proper entry. Paul also asked what the capital expense account included; Pete Glee will research the account and inform the Board.

Pete Glee continued with the Balance Sheet information. He noted that the decrease in the ARB's Completion/Compliance Deposit account, reflected the transfer of a forfeited \$10,000 compliance deposit, into the Other Income account. In line with the reviewed financials, Gabriel Hagg believes that MLHOA dues should not be reduced.

Diane Dubay questioned whether or not to discuss the proposed budget; Pete Glee stated that he provided it for informational purposes but would like to include the new office rent expense when the office space decision is finalized. Paul Jaspar suggested referring the proposed budget to the Finance Committee to recommend a budget by the next Board Meeting.

Diane Dubay motioned for the Finance Committee to review and recommend a proposed budget to the Board by April 30, 2018. Jamie Duff seconded the motion. Motion passed. Pete Glee concluded his report.

5. Standing Committee Reports

ARB – Diane Dubay highlighted the following:

Change to Building Standards Document: She mentioned the recommendation to add Appendix Z, summary of amendments to the Standards Document.

Gleneagles Trail Drainage: Diane Dubay stated that C&H Engineering had withdrawn from their contract to study and prepare a report for resolution of drainage along Gleneagles Trail. The General Manager, Pete Glee, is seeking a new engineering contractor to complete the study.

ARB Administration: The ARB Committee members held a working group in January to update the ARB New Construction Checklist. This project updated paragraph references and reorganized data.

Building Projects:

Diane Dubay enumerated the following Current Projects:

- Westcraft Lot D25 & D26 – ongoing townhouse construction, no issues.
- Hitchcock Lot MW-140 – project was reviewed and approved for occupancy. Withheld road deposit and \$3,000 compliance deposit pending completions of exterior painting, gutters, retaining wall, yard light, sign rock, and landscaping. Agreed in concept with landscaping plan.
- Frampton Lot MW-61 – ongoing construction, no issues. Minor color changes were requested and approved. Contractor made unapproved changes to the road drainage system which require correction and approval.

Diane Dubay reviewed the Remodel & Maintenance Projects:

- Johannsen Lot Z-33 – Re-staining of home approved, work suspended for the season.

Diane Dubay concluded her report.

BIM – JoAnn Cate related the following:

1. Mr. Stahlberg of Flathead Electric will soon inventory the lights that we have installed so that the rebate can be processed. As soon as the snow melts, photo cells will be installed on light fixtures that don't have them. Pete Glee has purchased photo cell sockets from Lowe's at a good price. Light posts will be repainted this year, and the BIM Committee is looking for a painter for the project. Options will be considered at an upcoming BIM meeting.
2. The BIM Committee sent a letter February 23, 2018 to the Meadow Lake County Water and Sewer District expressing concern that the area of the wall and pump house near the main entrance detracts from the overall appeal of the Meadow Lake Community. The BIM Committee offered assistance in designing an upgrade to the area and inviting the DEQ for an on-site inspection of proposed changes. To-date, there had been no response to the letter. Gabriel Hagg confirmed the communication and mentioned that recent changes to the Meadow Lake Water and Sewer District have slowed the response to the letter. He said that he will send out a note to the Meadow Lake Water and Sewer District Board for confirmation of their response in writing.
3. BIM Committee is working on a design for upgrading the entrance to Mountain Watch Phase I, at the west end of Gleneagles Trail. The property adjacent to the

Prichard property will also be part of the design and upgrade for installing mailboxes and a bulletin board.

4. Armstrong Park – As soon as the snow melts, the BIM Committee will add some rock features and increase plantings along the south and west edges.
5. Drainage on Gleneagles – C&H Engineering closed their Kalispell office and is no longer available to finish their assessment. Pete Glee is looking for another civil engineering firm.
6. Road Maintenance – The overlay of Pine Valley Loop and Court, the chip seal of Oakmont Lane and Loop, Seminole Lane, St. Andrews Drive, and Spyglass Hill Way and Loop will move forward. The cost for repair work and large crack filling on the roads to be chip sealed will be determined shortly.

Paul Jaspar inquired about the deep holes around the sewer drainage. JoAnn stated that it is part of the plan to fix them, along with the pot holes on the east side of Tamarack. Pete Glee mentioned that he will be meeting with T-Bend to determine cost. The Pine Valley “speed bump” caused by a culvert will be repaired as well. Diane Dubay said that a request had been sent to the Meadow Lake Water & Sewer District, asking for permission to adjust the levels of their manholes and sewer valves before the overlays, and chip sealing project moved forward. Gabriel Hagg said that the MLHOA request had been received favorably and that MLHOA should receive a formal response soon.

Lastly, JoAnn confirmed that Biggy’s Landscaping would be installing large baskets on the entrance posts. Foliage will be changed each season so that the baskets will never be empty. JoAnn Cate concluded her report.

Finance – Paul Jaspar related that Dallas Claypoll had joined the Finance Committee. Due to market fluctuations, the Finance Committee chose not to invest with Joe Coco of Coco Enterprises at this time, but instead made two investments of \$165,000 each into Parkside Credit Union Certificates of Deposit. The funds are covered by FDIC and are earning interest. Paul Jaspar concluded his report.

Social – Ann Stephens offered the Social Committee Report as presented, adding that the St. Patrick’s Day Party was a success.

- The Valentine’s Party was postponed due to bad weather and loss of power. Due to prior engagements, the rescheduled party was poorly supported. Regarding this lack of support, Ann Rhodes suggested cancelling future events rather than rescheduling them.
- The Mexican Fiesta Party will take place the 24th of May in the Fireside Room; Cindy Cook & Ann Stephens will serve as substitute chairs.
- The Social Committee would like to thank Theresa Carpenter and JoAnn Cate for working with the “New Homeowner Welcome” project. We currently have 20 new homeowners to welcome to the Meadow Lake community.
- The Social Committee is working with the BIM Committee and Pete Glee to add a bulletin board in the Mountain Watch Phase I and Phase II area.
- The Social Committee continues to support Gab Fest, Book Club, Pub Nights, and Women’s Wednesday Golf.

- The Social Committee thanks Ann Rhodes for preparing the fun event flyers, and expresses appreciation to those who distribute the flyers to the residents. Thanks also to the homeowners who help with the set up and clean up for each event.

Ann Stephens concluded her report.

6. **Mountain Watch Phase I Drainage Assessment Study:** Pete Glee explained that C&H Engineering closed its Kalispell office and is not interested in assessing the drainage issue. Pete is reaching out to other firms and will be obtaining project bids.
7. **Community Center/Amenity Options:** Peter Mueller related that he had not received information from Bruce Beecher or Marvin Galts regarding the previous community center assessment. Pete Glee discussed the possibility of another amenities survey using the website Survey Monkey. Paul Jaspar praised the survey program, mentioning that it delivers fantastic information when the survey is constructed properly. Diane Dubay suggested the \$34/month option, which would enable more assistance in designing the survey. Peter Mueller stated that he is willing to work with Survey Monkey on the survey project, and he will plan to enlist the help of Marvin Galts.

JoAnn Cate motioned to invest \$34/month on Survey Monkey to obtain member input on a community center, and for Peter Mueller to initiate the survey project. Peter Mueller seconded the motion. Motion carried. Peter Mueller concluded his report.

8. **Unit Representative Update:** Pete Glee related that, in the past, MLDC sent out the MLHOA Annual Meeting & Call for Nominations notice with their 1st quarter billing. However, MLDC is now utilizing an outside company to process billing, and the subsequent cost to MLHOA will be \$5,000 to include the MLHOA notice for Annual Meeting & Call for Nominations.

Rather than paying for MLDC to include the notifications, MLHOA sent the notifications to the unit representatives. Pete Glee sent a letter requesting that the unit representatives forward the information to the respective unit owners. However, several unit reps resigned or replied that they were not a unit rep.

For future notification, MLHOA requested that MLDC simply include a note on their billing statement that the Annual Meeting & Call to Nominations notice is posted on the MLHOA website. Diane Dubay mentioned that the notice was on her last statement but that it was in very small print, and the link went to meadowlake.com rather than the MLHOA website. Pete Glee stated that he would speak to MLDC to adjust the notice. JoAnn Cate asked if MLDC could use bold print, and Pete Glee agreed to request larger, bold print for the notification. Diane Dubay will send a copy of her unit statement to Pete Glee for review and resolution with MLDC.

Diane Dubay called a break at 11:10 am. During the break, the Board examined desks that the MLDC timeshare office will be selling. The Board members felt that the desks will be adequate for the new MLHOA office space. Meeting was resumed by Diane Dubay at 11:22am.

Discussion and Action:

9. **Review and approve Building Standards Amendment:** Diane Dubay motioned to amend Appendix Z & Appendices update to the Building Standards. Peter Mueller seconded the motion. Motion carried.
10. **Office Move Update – Spreadsheet:** Pete Glee began the discussion by briefly reviewing the spreadsheet of office lease options, which included three (3) Meadow Lake units and three (3) off-site locations. He related that Paul Jaspar, Diane Dubay, JoAnn Cate, Diane Craft, and Pete Glee had the opportunity to walk through the on-site units at 8:45 am with Barb Riley. Discussion ensued as to the importance of keeping the MLHOA office in Meadow Lake, and the consensus was to pursue options for an office in the Meadow Lake community.

Peter Mueller asked about the flights of stairs for access to the units and whether or not the MLHOA has to be handicap accessible. Pete Glee stated that he could always make an accommodation for a particular need at a handicap accessible venue if necessary.

Paul Jaspar proposed leasing with the option to purchase the property at 521 St. Andrews Drive, Unit #114. He felt that the access was good, storage space was close, remodeling would be easy, and the savings to MLHOA could be substantial. Paul thought that the unit would need new flooring and paint; costs would possibly be around \$5,000.

Gabriel Hagg wondered if the MLHOA is allowed to purchase property. Pete Glee stated that MLHOA is allowed to purchase with a 67% homeowner majority, but that the Board is allowed to enter into a lease without homeowner approval.

Peter Mueller asked if the units could be used for a commercial office space, and Pete Glee answered that the zoning allows for an in-home business and use for the HOA. Pete Glee will also check with the county to determine if any licenses are necessary to operate the office.

Board members continued to deliberate the details of the lease with option to buy: terms, option to sublet or end the lease in the event that MLHOA builds a community center and relocates, and the possible remodeling costs. All Board members agreed to move on leasing the afore-mentioned Unit #114 with the option to buy. Paul Jaspar suggested a 5-year lease with the option to buy at the end of each year. Peter Mueller made the motion to pursue the lease with option to buy on the property at 521 St. Andrews, Unit #114. Paul Jaspar seconded the motion. Motion carried. Paul Jaspar will meet with Diane Dubay and Pete Glee on Monday, the 19th of March, to work on the negotiation. Pete Glee concluded his report.

11. **Unit Rep Update – Potential to compromise quorum requirements at annual meetings**
Pete Glee related that he had received six (6) resignations from unit reps, and had no feedback from Chris Walters at MLDC regarding any movement or additions of unit reps. Insufficient unit representatives could possibly impact the quorum at the annual

meeting. Pete had spoken with MLHOA attorney Carl Rudbach to confirm that units, even without a representative, have to be counted for the quorum. Peter Mueller is disappointed in the lack of participation of Unit Representatives. He wondered how we can encourage them to be involved. In resolution, Mr. Glee will send a letter of recommitment to the Unit Reps and inform them that they will not be responsible to send out communication to other timeshare owners since MLDC will be including notification of the Annual Meeting and Call for Nominations on their statements.

Other Items:

12. Review of Meeting Schedule through 6/23/18 and Forecast for 2018-2019 meetings

Peter Mueller motioned to set the date of the Annual Meeting for June 1, 2019 and Jamie Duff seconded the motion. Motion carried.

Due to the varied schedules of Board members, Paul Jaspar suggested using an app ("Doodle Poll") that will allow members to indicate their availability for future Board meetings. All the Board members can then review the proposed dates and finalize the remaining Board meeting dates.

13. Adjournment – Diane Dubay motioned to adjourn the meeting at 12:10 p.m. and JoAnn Cate seconded. Motion passed.

Meadow Lake Country Club Estates Homeowners Association, Inc.
P. O. Box 2323
Columbia Falls, Montana 59912
(406) 897-2765
www.ml-hoa.com

Diane Dubay, President
Paul Jaspar, Vice President
JoAnn Cate, Treasurer
Peter Mueller, Secretary

Gabriel Hagg, Director
Marvin Galts, Director
Jamie Duff, Director
Pete Glee, Manager

Board Meeting Minutes
Date: Saturday, June 23, 2018
Time: 3:00 PM (following the Annual General Meeting)
Place: Best Western Rocky Mountain Lodge in Whitefish

Directors in attendance: Diane Dubay, Peter Mueller, Jamie Duff, JoAnn Cate. By teleconference: Paul Jaspar and Gabriel Hagg.

Also in attendance: Manager, Pete Glee, Recorder, Diane Craft and Barb Riley.

Meeting was called to order at 3:10 p.m. by Diane Dubay.

Information:

1. **Approval of Minutes of Previous Meeting (3/17/2018)** Peter Mueller made a motion to approve Minutes of March 17, 2018, Diane Dubay seconded. Motion carried.
2. **Drainage Review on west side of Gleneagles Trail**
 - a. Diane Dubay related the review of Gleneagles Trail was necessary due to erosion from runoff and springs. Peter Mueller inquired as to the proposed amount for a plan to mitigate the water erosion. Diane Dubay said the cost would be around \$50,000. Pete Glee mentioned the engineer suggested the development of a multi-tier collection basin system which would move the water down from the upper moisture layers and the springs. Diane Dubay motioned for the Board, upon receipt of the recommendations from TD and H Engineering, to obtain bids on a drainage issue plan and to subsequently implement such plan upon selection of a bid in order to resolve the drainage issue on Gleneagles Trail. Jamie Duff seconded the motion. Motion passed. Diane Dubay concluded the discussion of the Drainage Review.
3. **Road Reserve Study Update**

Pete Glee related that he had recently received the report from Association Reserves, and did not have time to thoroughly review the analysis. However, the report did mention the Road Reserve account was currently well-funded. With an estimated inflation rate of 3%, the report recommended the HOA continue adding \$30,000 annually to the road reserve account to maintain, and increase funds for future

projects. Pete Glee will send the report out to the Board for their review. Pete Glee concluded his update on the Road Reserve Study. - **ACTION**

4. Election of New Officers

Diane Dubay began the discussion with her resignation of the office of President due to Meadow Lake By-laws which state the President may only hold office for 2 years. Diane Dubay nominated Paul Jaspar for President. Paul Jaspar was not sure that he would be available to perform duties since he is rarely at Meadow Lake. Diane Dubay questioned the other Board Members as to their willingness or availability to hold office of President. Peter Mueller, JoAnn Cate, Gabriel Hagg, and Jamie Duff all declined the office. Diane Dubay told Paul Jaspar she could be a support as Vice President. Diane Dubay motioned to elect Paul Jaspar as President and Diane Dubay as Vice President. Peter Mueller seconded the motion. Motion passed. JoAnn Cate is willing to continue as Treasurer. Peter Mueller motioned to elect JoAnn Cate as Treasurer, Diane Dubay seconded. Motion passed. Diane Dubay recommended that Peter Mueller continue as Secretary. Peter Mueller motioned to remain as Secretary, and Diane Dubay seconded. Motion passed.

5. Appointment of New Committee Chairs

Diane Dubay motioned to remain as ARB Committee Chairperson, JoAnn Cate seconded. Motion passed. Diane Dubay motioned to appoint JoAnn Cate as BIM Committee Chairperson, Peter Mueller seconded. Motion passed. Discussion ensued regarding the lack of a chairperson for the Social Committee. What inhibits community members from volunteering for the position? JoAnn Cate expressed that Meadow Lake members may feel that the work is overwhelming or has too much responsibility. Diane Dubay suggested talking with community members to dispel misconceptions and encourage participation; a full-time resident would be preferable to chair the Social Committee. Pete Glee stated that it has been advantageous to offer Social Memberships to the neighboring associations. No Chairperson was appointed at this time. Diane Dubay recommended Paul Jaspar as Chairperson of the Finance Committee. Peter Mueller seconded. Motion passed. Peter Mueller motioned to recommend himself as Community Center Committee Chairperson, Diane Dubay seconded. Motion passed.

6. Security Plans for the 4th of July

Pete Glee informed the Board the "No Fireworks" signs would be posted on Monday in the Meadow Lake community and at MLDC. Diane Dubay asked whether or not the Board should consider entertaining a security contract; she feels there has been no benefit to MLDC security. Barb Riley believes MLDC security provides an unseen benefit as a deterrent in the neighborhood. Diane Dubay stated MLDC has never followed up with security reports. Paul Jaspar presented the option of a private security company with the possibility of an on-call only basis. Would that be more economical? Pete Glee mentioned that Grizzly Security had been contacted in the past, and that he would research security company options. Diane Dubay suggested obtaining a bid on security options, and Jamie Duff agreed, since it was evident from the Annual Meeting discussion that the Meadow Lake homeowners are concerned about security. Peter Mueller asked about the option of security cameras at Meadow Lake entrances, and Paul Jaspar wondered about posting "Patrolled by..." signs in the neighborhood. The

Board recommended reactivating the COPS Committee and to have the COPS Committee research options and present a recommendation to the Board for community security. Pete Glee concluded his discussion. -**ACTION**

Other Items:

7. Other Items

Paul Jaspar asked about purchasing AED (defibrillators) for the Meadow Lake community. He wondered if the hotel and golf course have them available. Peter Mueller asked to refer the option for defibrillators to the COPS Committee for consideration. Paul Jaspar thanked Diane Dubay for her leadership as President of the HOA. Barb Riley informed the Board Members she would like to be a member of the COPS Committee. - **ACTION**

- 8. Adjournment** – Diane Dubay motioned to adjourn the meeting at 4:00 p.m. and Paul Jaspar seconded. Motion passed and meeting adjourned.

Meadow Lake Country Club Estates Homeowners Association, Inc.
P. O. Box 2323
Columbia Falls, Montana 59912
(406) 897-2765
www.ml-hoa.com

Paul Jaspar, President
Diane Dubay, Vice President
JoAnn Cate, Treasurer
Peter Mueller, Secretary

Gabriel Hagg, Director
Marvin Galts, Director
Jamie Duff, Director
Pete Glee, Manager

Board Meeting Minutes

Date: Saturday, September 22, 2018

Time: 10:00 AM

Place: Meadow Lake HOA Office, 521 St. Andrews Dr., #114

Members in attendance: Diane Dubay, Peter Mueller, Jamie Duff, Marvin Galts, and Pete Glee. Gabriel Hagg was connected by phone. JoAnn Cate gave her voting proxy to Diane Dubay.

Also in attendance were Diane Craft, John Elliot, Patrick Halter, and Dan Singer.

Meeting was called to order at 10:04 a.m. by Diane Dubay.

Information:

1. Public Comments: None.

2. Meadow Lake West HOA Board – Pertaining to owner traffic on Golf Course Drive

Meadow Lake West HOA (MLW HOA) members Dan Singer, John Elliot, and Patrick Halter were present to discuss traffic on Golf Course Drive. Dan Singer, President of MLW HOA, related that the MLW HOA is re-activating a 5-member Board of Directors who would like to work closer with Meadow Lake Country Club Estates HOA (MLCCE HOA). Dan Singer read a letter from MLW HOA which expressed concern over the use of Golf Course Drive by MLCCE HOA members. Excessive speeds and road damage from use is at issue. Discussion ensued as to those using the road, and John Elliot stated that he felt about 75% of the use was not from MLW HOA owners. Temporary speed bumps will be installed. Diane Dubay asked members from MLCCE HOA be alerted to the speed limits. MLW HOA requested that (1) MLCCE HOA members use only lower Golf Course Drive, and (2) MLCCE HOA contribute \$100/month for repairs of the road and snow removal. Marvin Galts asked about the MLW HOA dues; Dan Singer replied that 37 HOA members pay \$10/month. **ACTION:** Diane Dubay stated that the request would be tabled at this time but would be taken under consideration by the Board. Diane Dubay thanked the MLW HOA members for attending.

Discussion continued. Diane Dubay suggested that MLCCE HOA members discontinue use of the road until the Board decides on a contribution. Jamie Duff related that she didn't know the road was private. Regarding the road maintenance contribution, Gabriel Hagg noted that the issue may be merely an exchange of road maintenance. If MLCCE HOA members using Golf Course Drive are re-routed, then there will greater use

of MLCCE HOA roads, perhaps necessitating more expenses for road work in MLCCE. Discussion concluded.

3. Approval of Minutes of Previous Meeting (6/23/2018)

MOTION: Diane Dubay motioned to accept Minutes from 06/23/18 Board Meeting, Peter Mueller seconded. Motion carried.

4. Manager's Report

Pete Glee related the following:

- The office move is complete, signage has been added. Pete Glee asked MLDC to allow posting of a "Moved" sign on our previous office, but the request has been unanswered. The storage unit was cleaned out in July. The new office space is working well.
- Pete Glee continues to review and sign off on monthly QuickBooks and bank account reconciliations. They are available to the Board upon request.
- The HOA may need to purchase a new router since the current router is intermittently dropping the network.
- Pete Glee received a request from a sub-association to have their web page information moved from the resort page to MLCCE HOA web page. Peter Mueller suggested adding an organizational chart of the MLCCE HOA and sub-associations to the website.
- Pete Glee has also received requests to work closer with the sub-association Boards and to help with cross-training.
- Pete mentioned that he would like to utilize the NextDoor network for urgent HOA notices. Diane Dubay mentioned that NextDoor would be appropriate for urgent news, but HOA business, such as Board Meeting Minutes, would need to be posted on the official MLCCE HOA website.
- A vision element of the Strategic Plan is "total community perspective", and the COPS charter revision could possibly include involvement from adjacent properties to MLCCE HOA. For example, Pete Glee suggested including nearby Meadow Lake Estates West and Mountain Watch Phase II as members to the re-activated COPS Committee. An overall community security program would allow neighboring entities to share in the expense. Marvin Galts wondered how to get participation in the COPS Committee, and if the COPS charter could be restructured as more of an overall Meadow Lake Community board.
- Pete Glee continues to review the Governing Documents to assure that the HOA complies with the intent and purpose of said documents. The Manager's Report was concluded.

5. Financial Report

Pete Glee reviewed the financial reports, making mention of additional expenses due to tree removal and the office move. He suggested re-assigning the re-striping of roads and speed bumps to capital expenses, and he mentioned that the Road Reserve Fund needs to be modified to correctly reflect the amount for restricted funds. The account for Fixed Assets also needs to be altered to reflect the actual furniture on hand after the recent office move. Diane Dubay questioned the negative balance on retained earnings. Marvin Galts noted that the Net Income should not show a negative amount due to use

of monies for capital expenses, and he asked that the adjustment be made before the Annual Meeting to avoid confusion. **ACTION:** Pete Glee will work with Paul Jaspar to make necessary accounting adjustments.

Peter Mueller expressed concern over the low spots from the recent road repair. When can these be fixed? Diane Dubay would like to see the issue resolved before winter.

ACTION: Pete Glee will talk with Jared at T-Bend to see if the issues with the roads can be fixed before winter. Pete Glee concluded his report.

6. Standing Committee Reports:

➤ ARB

Diane Dubay reviewed Meadow Lake projects.

▪ NEW CONSTRUCTION

- Completed construction on Westcraft townhomes. Marvin Galts corrected the noted lots from D-27 & D-28 to D-25 & D-26.
- Gleneagles MW-140 was approved for occupancy. Landscaping is in progress with a projected completion date of November 30, 2018.
- Gleneagles MW-61 was approved for occupancy and work has commenced on the landscaping.
- There are no new applications at this time.

▪ REMODELS & RE-LANDSCAPING

- Lot 14, Building 850 St. Andrews: completed log staining on main building. Ongoing log staining on driveway fencing.
- Lot T-04, 101 Spyglass Hill Way: re-landscaping around townhouse in progress.
- Lot Z-24, 640 St. Andrews Drive: completed removal of large tree infringing on adjacent property and diseased tree removed.
- Lot T-43, 879 St. Andrews Drive: completed window & sliding glass door replacement.
- MW-144, 260 Gleneagles Trail: completed additional landscaping of front yard.
- Z-14, 580 St. Andrews Drive: completed total re-decking including replacing railings and re-landscaping.
- D-21, 247 Oakmont Loop: current project to extend deck with materials and railings as existing.

Diane Dubay concluded her report. Peter Mueller discussed the issue brought up by a condo owner regarding the space between railings at a St. Andrews HOA Building. Marvin Galts said that the current code is 4" between railings. Peter Mueller researched the liability and learned that, since the railings were completed under the code approved at the time, the St. Andrews HOA is not obligated to decrease the space between railings.

➤ **BIM**

Jamie Duff, Vice Chair of the BIM Committee, reviewed the BIM report as follows:

- **New light fixtures:** MLCCE HOA received a rebate of \$2,100 from Flathead Electric. 17 photo cells have been installed on light posts that were missing them. The BIM Committee will seek bids to repaint the light posts. Discussion ensued by Board Members as to why some properties do not have light posts. Diane Dubay surmised that, in the past, either a final check was not done or the light post requirement was missed. Marvin Galts asked if the Board should implement the requirement for light posts and perhaps offer to share the cost with the homeowner. Peter Mueller stated that he believes the lights should be required since it is the only lighting in Meadow Lake. Jamie Duff mentioned that about 50 homes do not have light posts. **ACTION:** The BIM Committee will review the yard light issue and report back to the Board with possible expenses to remedy the problem.
- **Entrance to Meadow Lake at St. Andrews Drive:** The Committee has decided on a proposed theme for the front entrance and is ready to send out to bid. A new welcome sign with native landscaping, along with a stream bed effect, will be presented to the golf resort owner for agreement. It will subsequently be presented to the Board for approval. Peter Mueller asked if there would be space on the new sign to mount cameras for security. Peter Mueller suggested that the COPS Committee and the BIM Committee work together to implement a security system with the new entrance design. Regarding petitioning members for the COPS and BIM Committees, Diane Dubay inquired if the vacancies could be posted in the bulletin boards and on NextDoor. **ACTION:** Pete Glee will post the vacancies and report back to the Board at the December meeting.
- **Armstrong Park:** The BIM Committee met with Holly from Biggy's Landscaping to discuss adding different ground cover and extra plantings. JoAnn Cate created a diagram of the design and sent it to Holly this week. One of the Pine Valley Park benches will be moved to Armstrong Park.
- **Tree Removal:** Several dead trees have recently been removed. We will be receiving bids from new tree contractors, as our previous contractor has moved to Spokane.
- **Yard Weed Violations:** We sent out 15 yard violations for landscaping issues. For the most part, we have received positive responses and will continue to follow up with owners.
- **Road Maintenance:** Road maintenance scheduled for the summer has been completed. BIM Committee will review chip sealing of Pine Valley Loop and Gleneagles patch work for summer 2019 and will present proposals to the Board for approval.
- **Weed management:** Management of noxious weeds is having a positive effect in weed reduction. John Hesselwood from Lawn Care Specialties

related that he only had difficulty with Toadflax this year, and he will be applying a new product to control it.

- Road Reserve Study: The road reserve study was completed and will be discussed as agenda item #10.
- Mountain Watch Drainage: The Mountain Watch drainage study has been completed and is out to prospective contractors for bid.
- Vacancy on the BIM Committee: The committee has a vacancy and is looking for a new member to submit to the Board for review and approval.

Jamie Duff concluded her report.

- **Finance Committee** – Marvin Galts had nothing to report.
- **Social** – No Report

7. Office Remodel/Move Update – Spreadsheet

Pete Glee reviewed the spreadsheet for the office remodel expenses. The office remodel costs were \$20,634.39, and the expenses associated with moving were \$5,884.33. Marvin Galts asked what the contractor performed. Pete Glee stated that he coordinated all the subcontractors for demolition, new texture, paint, and flooring. Peter Mueller compared the remodel costs to previous remodels on condo units and felt that the project was reasonable. Discussion followed regarding the need for a screen door. Pete Glee stated that it might cost approximately \$375. **MOTION:** Diane Dubay motioned to purchase and install a screen door for the office entrance. Marvin Galts seconded the motion. Motion passed. Pete Glee concluded his report.

8. Office Sub-Lease Update

Pete Glee reviewed the office lease with Shannon Bowerman of Glacier Vacation Rentals. The lease is in effect from 10/01/18 – 9/30/19 at \$200 per month. She will be using the spare room for office space and will purchase a lock for the door. Use of the space will generally be outside of the MLCCE HOA office hours and by appointment only. Discussion continued by Board members as to use of space, utility expenses, and HOA security. Pete Glee related the office staff currently locks desk drawers, and the Internet use for Shannon will be set up on a guest network. Pete Glee concluded his report.

9. Mountain Watch Phase I Drainage Assessment Study

Pete Glee updated the Board as to the finalization of the Mountain Watch Drainage Study by TD&H Engineering. TD&H agreed with the concept Finmark had originally proposed but recommended more engineering at driveways and with outflows. TD&H submitted a report and drawing. Pete Glee stated that he is looking for project bids from Biggy's, Hamilton Construction, Finmark, and Cutting Edge. **ACTION:** Pete Glee will email the report from TD&H Engineering to Board members.

10. Road Reserve Study Update

Pete Glee reviewed the summary of the Road Reserve Study. The Study indicated that MLCCE HOA Reserve Fund is currently 802% funded, which means the special assessment and deferred maintenance risk is currently low. Based on the starting point

and anticipated future expenses, the Study recommended maintaining the current Annual Reserve Contribution rate at \$30,000 with nominal future increases. This rate is designed to stabilize the 100% Fully Funded objective by the end of a 30-year scope. **ACTION:** Pete Glee will post on the website that the Road Reserve Study Update has been completed and further information is available upon request.

11. Community Center/Amenity Options

Peter Mueller led the discussion on the proposed Community Center. He would like to use Survey Monkey to discern interest in the Center. Diane Dubay asked what the real level of interest is and the feasibility of a Community Center. Peter Mueller suggested writing a Charter for a new Community Center Committee, and he would like to see if there is any interest from the sub-associations. **ACTION:** Diane Dubay proposed making a charter for a Community Center Committee, approve it and stand it up at the December meeting. Subsequently, the Community Center Committee will perform a feasibility study. Pete Glee will put out a notice to solicit members for the new committee.

12. Audit Update: Out to Bid

Pete Glee stated that he was preparing to send the audit out to bid to accounting firms. Discussion ensued as to the scope of the audit. Pete Glee related that the audit approved at the 2018 Annual Meeting was to cover 2017-2018 and was assigned a budget of \$5,000. He will ask accounting firms what type of audit will be covered within the above-mentioned parameters.

Discussion and Action:

13. BIM Charter draft revision

Pete Glee related that JoAnn Cate no longer wishes to chair the BIM Committee. Members Jamie Duff and James Wallace are willing to share responsibility as co-chairs. Therefore, the proposed revision of the BIM Charter is as follows: "THE MLCCE HOA Board of Directors appoints 5 voting members (as specified below) to the BIM Committee, the chair or co-chairs being appointed by the board from the committee's membership."

MOTION: Marvin Galts motioned to accept resignation of JoAnn Cate as chair of the BIM Committee, to ratify the revision of the BIM Charter to allow for co-chairs, and to appoint Jamie Duff and James Wallace as co-chairs to the BIM Committee. Diane Dubay seconded the motion. Motion passed.

14. COPS Charter draft revision

Pete Glee reviewed the proposed COPS Charter with adjustments. He has reached out to some of the previous COPS members and has expanded his search for members to other nearby HOAs and surrounding communities. Diane Dubay suggested changing the MLCCEE HOA voting from one owner to two owners to avoid an even number on the COPS Committee. COPS Committee will decide the financial contributions by participating parties for the security expenses. **MOTION:** Peter Mueller motioned to accept the COPS Committee Charter as submitted with the change. Gabriel Hagg seconded the motion. Motion carried. Charter Revision as follows:

- 1) Plan, budget, implement and administer Meadow Lake's Community Operations and Protective Services program, as recommended to and approved by the MLCCE HOA BOD.
- 2) Membership: The MLCCE HOA, MLDC, and MLGRI appoint 1 voting member to the COPS committee:
 - MLCCE HOA, Inc. Board of Directors (chair or co-chairs, 1 vote)
 - Meadow Lake Development Corporation – MLDC (voting)
 - Meadow Lake Golf Resort, Inc. – MLGR (voting)
 - One owner from Meadow Lake West HOA (voting)
 - One owner from Mountain Watch Phase II (voting)
 - Two owners from MLCCE HOA (voting)
 - General Manager MLCCE HOA (recorder, non-voting)

As a side point, Peter Mueller asked if the fence on the west side will be fixed. Pete Glee stated that it belongs to the golf course. Peter Mueller said that he will talk with Peter Tracy or Kyle Long about the fence repair.

15. Social Committee suspension

Diane Dubay led the discussion as to the suspension of the Social Committee. She related that the Social Committee has been attempting to find a chair for 18 months, and no one has stepped forward. Jamie Duff mentioned that Meadow Lake HOA members have an informal mind-set; they don't want a structured responsibility.

MOTION: Diane Dubay motioned to suspend the Social Committee and to no longer authorize expenditures for the social account until a chair is appointed. Jamie Duff seconded the motion. Motion carried.

16. Enforcement of Community Standards

Marvin Galts started the discussion by relating a conflict which occurred in Meadow Lake with a young person driving a golf cart. He questioned whether or not MLCCE HOA should be enforcing golf cart use. Pete Glee stated that the CCR's and Community Standards indicated that golf carts should be operated by someone with a license. Marvin Galts feels that the standard is extreme and unreasonable if a parent is with a young person. From a legal standpoint, is the MLCCE HOA responsible to control it? Jamie Duff asked if the driving is really irresponsible, and what is the reasonable line of involvement. What is the actual complaint? Diane Dubay found that the rule regarding golf cart use is not in the CCR's but rather the Community Standards. After Diane Dubay read the Community Standards for golf cart use, Marvin Galts related that he feels the Standards on golf carts, snowmobile use, boat storage, etc. should be reviewed. How can we have reasonable control and yet be flexible so that we don't make living in Meadow Lake a nuisance? **ACTION:** Board Members will review the Community Standards & CCR's and highlight changes they would like to address, with the proposed changes to be presented and discussed at the December meeting.

17. Unit Representative Update – potential to compromise quorum at annual meetings

Pete Glee related that the Unit Rep issue is in a holding pattern. MLDC does not want to work with MLCCE HOA in obtaining unit reps. Lawyer Karl Rudbach, from Ramlow & Rudbach, confirmed that the quorum for the Annual Meeting could be affected by a lack of participation with Unit Reps. Pete Glee also mentioned that Unit Reps should be

elected to the position, but there is little communication and involvement with other unit owners. He also questioned the voting authority of a managing agent. He noted that MLDC allows MLCCE HOA to include a message for notice of Annual Meeting on their MLDC billing. Peter Mueller stated that he is able to access owner information as Board President of SAHA. **ACTION:** Pete Glee will send a request to Chris Walters for complete contact information on timeshare owners. If the list cannot be obtained directly from MLDC, sub-association presidents will request the information.

18. Credit Card processing charges passed on to owners

At the 2018 Annual Meeting, homeowners expressed concern over MLCCE HOA incurring expenses for homeowners to pay by credit card. Diane Craft, Administrative Assistant, reviewed the research into different credit card processing options, including PayPal, Stripe, QuickBooks, and the Payline system that is currently used by MLCCE HOA. After comparing overall costs to be incurred by the HOA, the recommendation was to try the QuickBooks "Pay as You Go" Plan:

- monthly fee for PCI Compliance (credit card security) of \$9.95
- No extra charge for recurring billing
- Fee of 3.5% of billed amount – to be passed on to cardholder
- No international fees
- Payment by check of \$1 per transaction
- Ease of payment

Gabriel Hagg asked if the switch to a new system and charging fees back to homeowners would make billing easier and timely, or if it would be more of a burden to the billing process. Diane Craft stated that using the QuickBooks electronic payment system should be fairly seamless since MLCCE HOA is already using QuickBooks for its accounting. Board members discussed whether or not to charge fees back to homeowners. **MOTION:** Diane Dubay motioned to change from Payline to QuickBooks for the electronic processing of dues, as of January 1, 2019. Jamie Duff seconded the motion. Motion passed. **MOTION:** Diane Dubay motioned to pass on to homeowners the fees associated with utilizing payment with credit cards or electronic checks, beginning January 1, 2019. The fees for credit cards will be \$4.89 and checks to be \$1.00. Gabriel Hagg seconded the motion. Motion carried.

Other Items:

19. Review of Meeting Schedule for 2008-2019 meetings

June 23, 2018; September 22, 2018; December 8, 2018; March 9, 2018; June 1, 2019. All meetings will be held at 10 a.m. except the June meeting, which will follow the June Annual Membership Meeting. Meeting locations will be posted on the website before each scheduled meeting.

20. Adjournment – Diane Dubay motioned to adjourn the meeting at 1:50 p.m., Gabriel Hagg seconded. Motion passed and meeting adjourned.

Meadow Lake Country Club Estates Homeowners Association, Inc.
P. O. Box 2323
Columbia Falls, Montana 59912
(406) 897-2765
www.ml-hoa.com

Paul Jaspar, President
Diane Dubay, Vice President
JoAnn Cate, Treasurer
Peter Mueller, Secretary

Marvin Galts, Director
Gabriel Hagg, Director
Jamie Duff, Director
Pete Glee, Manager

Board Meeting Minutes

Date: Saturday, December 8, 2018

Time: 10:00 AM

Place: Meadow Lake HOA Office, 521 St. Andrews Dr. #114

Directors in attendance: Diane Dubay, Peter Mueller, Jamie Duff, Marvin Galts, and JoAnn Cate. Gabriel Hagg and Paul Jaspar were connected by phone. Additionally: Diane Craft, Barb Riley, and Manager-Pete Glee were in attendance.

Call Meeting to Order/President's Report:

Diane Dubay called the meeting to order at 10:06 a.m.

Paul Jaspar reported the following:

- In October, Paul Jaspar and Diane Dubay met with Pete Glee to implement a Meadow Lake HOA "to-do list" with outlined tasks and completion dates so that Paul Jaspar and Diane Dubay are up to date on the status of HOA projects and action items.
- Legal action was initiated to collect on an overdue account. Currently, there is a claim before the courts that will hopefully be settled by means of a summary judgment.
- A homeowner was notified that the aesthetics of their residence needed repair and must be rectified by June 15, 2019.
- Paul Jaspar would like to discuss the car parked for the winter at 521 St. Andrews, Building 1.
- Paul Jaspar assisted Pete Glee with adjustments to the Meadow Lake HOA financials.
- On future Board Meeting Minutes, the final page will include action items that will detail who will be performing the tasks and proposed completion dates.

Discussion ensued by Board members regarding the parked car at Building 1. Diane Dubay mentioned that Building 1 is private property. Owners of the building originally approved the parked car in the guest space, so a request to remove the car would need to go through the landlord. Peter Mueller stated that SAHA will not have board meeting until June 1, 2019. Marvin Galts asked if it was really an issue to have the car parked in a guest space. Pete Glee stated that many of the extra spaces are occupied and that, at times, there is insufficient parking for guests. Barb Riley related that the decision would need to be presented to the Owners of Building 1, not the SAHA association. **ACTION: Pete Glee will write the Meadow Lake HOA office landlord to request him to present the issue to the Owners of Building 1 for discussion and decision on allowing an unused vehicle to be parked for the winter in a guest space.**

Information:

- **Public Comments – Diane Dubay opened the floor to public comments.**

Barb Riley related that she had received three (3) calls from prospective contractors regarding the Meadow Lake ARB Committee micromanaging construction projects in the Meadow Lake community. She related her concern over the negative comments and the possible impact on property sales in Meadow Lake. Diane Dubay, as

Chairman of the ARB, addressed her comments. Diane Dubay related that due to past noncompliance issues, the ARB Committee is closely monitoring projects. Drainage issues are a special focus since down-flow problems are common in Meadow Lake. Contractors and homeowners have access to the Building Standards and are responsible to read and heed the requirements. Pete Glee added that the guidelines are not unrealistic; the ARB is willing to work along with the homeowner, contractor, and architect to create a seamless project process. Diane Dubay expressed thanks to Barb Riley for relating the concern and concluded public comments.

➤ **Approval of Minutes of Previous Meeting (9/22/2018)**

Peter Mueller mentioned that he did not contact Peter Tracy or Kyle Long regarding the needed fence repair discussed at the previous Board Meeting. **ACTION: Pete Glee will contact Peter Tracy or Kyle Long to remedy the fence issue.**

Before approval, Paul Jaspar wanted to discuss the status of following action items from the previous meeting:

- Golf Course Drive – tabled at previous meeting but on current agenda for discussion
- Pete Glee to talk with T-Bend to determine if road issues can be addressed before winter. Pete Glee related that the repairs will need to wait until spring. Diane Dubay mentioned that she believes the repairs should be a warranty item and not an extra expense to Meadow Lake HOA.
- Yard lights issue – to be discussed in BIM report
- Move of Pine Valley bench – to be discussed in BIM report
- New weed product used on Toadflax – Pete Glee stated that Lawn Care Specialties had tested a new product on the Toadflax, but he does not know if it was successful. **ACTION: Pete Glee will find out if the new weed product is effective.**
- Screen door – **ACTION: Pete Glee will purchase and have the storm door installed at the entrance for the Meadow Lake office.**
- Community Standards & CCR's review by Board Members – to be discussed on current agenda
- Request for updated Unit Rep list – Pete Glee did receive an updated list from Chris Walters. Discussion ensued regarding the rightful voting representative in Meadow Lake elections. Does the managing party of timeshares have the authority to vote? **ACTION: Pete Glee will research the legal authority of the assignment/default of timeshare votes.**

Diane Dubay noted that "Carl" Rudbach should be "Karl". **MOTION: Paul Jaspar motioned to approve the Minutes of previous meeting (9/22/2018) with the correction. Diane Dubay seconded. Motion passed.**

➤ **Manager's Report – Pete Glee reported the following:**

- Pete Glee related that Diane Craft had submitted her resignation, to be effective December 31, 2018. She has accepted a position with a bookkeeping firm in Whitefish. She is willing to continue with the bookkeeping and other contracted services through her new employer. Pete Glee will be contacting her new employer to discuss the possibility of contracting her services. **ACTION: Pete Glee to contact bookkeeping firm regarding option to contract bookkeeping services with Diane Craft.**
- The office space is working well, and Shannon Bowerman with Glacier Park Vacation Homes has moved into her office.
- Meadow Lake HOA purchased a new dual band wireless router since the donated router was having issues. The new router will also provide a separate network for Shannon.
- To resolve compatibility issues, the MLHOA office updated to QuickBooks 2019 and Microsoft Office 365.

- Pete Glee also related that he utilized the Nextdoor Network to contact homeowners regarding snow berms across their driveways. He received 90 responses by the first week.

Diane Dubay stated that it is the responsibility of owners to remove their berms. Gabriel Hagg asked if berm mitigation increases the bid from Biggy's Landscaping. Pete Glee answered that he was unsure of the cost difference. Marvin Galts stated that it does cost more. Paul Jaspar requested more information on the berm mitigation cost to determine if the expense should be charged back to the homeowners.

ACTION: Pete Glee to investigate the extra expense for berm removal with Biggy's Landscaping and report back to the Board.

- Pete Glee also communicated via Nextdoor to notify homeowners that there are openings on the ARB, BIM, and COPS Committees. Steven Spotts was appointed to the ARB, and the Board has a BIM application for consideration today.
- Meadow Lake West, The Woods (Mountain Watch Phase II), Barb Riley, and Chris Walters from MLDC are interested in serving on the COPS Committee. The Goudreau's on Oakmont Lane are interested but are unable to serve at this time. He did not receive any response from the Golf Course. The COPS Committee is ready to convene its first meeting.
- Cyber insurance protection has been added to the Meadow Lake HOA insurance policy to protect MLHOA from costs involved with a data breach or computer failure due to a cyber-attack. The cost is \$488 per year with \$100,000 coverage for data compromise and cyber liability.

Paul Jaspar inquired if there is anything that Meadow Lake HOA needs to do to make the cyber insurance valid, i.e. security programs on our computers. **ACTION: Pete Glee will review the insurance documents and institute the requirements to confirm that the Meadow Lake HOA is properly insured.**

- Ann Rhodes has agreed to assist in updating the Meadow Lake Community map.

Pete Glee concluded his Manager's Report.

- **Financial Report** – Pete Glee reviewed the financials and highlighted over-budget items. He mentioned the write-off for old equipment to reflect only current items on-hand. Paul Jaspar noted the increase in legal fees, and he emphasized the value for the expense to avoid future issues with homeowners. Paul Jaspar also asked if Meadow Lake HOA is charging interest on overdue accounts. Pete Glee replied that homeowners who are delinquent a full quarter are assessed interest before the next billing period.

Marvin Galts asked about the rent recapture with option to buy and whether Meadow Lake HOA has the right to assign the recapture to another purchaser. Pete Glee was unsure but noted that it would need to be in the lease. Diane Dubay suggested amending the lease. **MOTION: Marvin Galts motioned to request an amendment to the Meadow Lake HOA office lease to allow for the assignment of accumulated equity if the property sells during the term of our lease. Peter Mueller seconded the motion. Motion passed.**

Regarding the Balance Sheet, Paul Jaspar enumerated items on the Road Reserve Study and summarized the funds in the capital expansion reserve. **ACTION: Paul Jaspar will work with Pete Glee to adjust the Equity items on the Balance Sheet.**

Paul Jaspar inquired about the cost of the new bulbs. Diane Dubay reminded the Board that the purchase of bulbs was in the previous year, so the expense will not show up on the current P&L. Paul Jaspar also asked about the income for our sublet of office space. Pete Glee said that it has been recorded to the rent expense account to off-set the cost of the Meadow Lake HOA office. Paul Jaspar said that the rent income should be recorded as income. **ACTION: Paul Jaspar will work with Pete Glee to move the rent payment for the sub-lease to the proper account.**

Diane Dubay requested that Financial Reports be presented by the Finance Committee at future Board Meetings.

Lastly, Paul Jaspar discussed the previous motion on credit card fees. He believes that accepting credit cards is a necessary cost of doing business. Diane Dubay related that the issue is being addressed because homeowners from the Annual Meeting wanted to pass on costs only to the homeowners utilizing credit card processing. Peter Mueller, Marvin Galts, and Gabriel Hagg expressed support offering credit cards as an option without requiring homeowners to pay for the convenience. **MOTION: Diane Dubay motioned for the Meadow Lake HOA to continue to absorb the credit card processing fees as an efficient method of doing business. Peter Mueller seconded the motion. Motion passed.** Pete Glee related that using the credit card option obligates someone to personally guarantee the transactions. Barb Riley commented that her business utilizes a separate system at First Interstate Bank. Costs are an average of 3% of the transactions. The payment system is set up online through the bank. **ACTION: Pete Glee will investigate options to use a payment processing system through First Interstate Bank.**

MOTION: Marvin Galts motioned to accept the Financials as presented. JoAnn Cate seconded. Motion passed.

Pete Glee concluded the Financial Report.

➤ **Standing Committee Reports:**

ARB – Diane Dubay reviewed the following:

New Construction:

- Completed: Oakmont Loop D-25-D-26 – Westcraft townhouses – Satisfactorily completed. Working to restore adjacent lot. They had re-seeded the disturbed areas, but due to lack of rain, it didn't grow. Paul Rose confirmed they will reseed it again, and make sure it recovers.
- Started: Oakmont Loop R-45 – Waters new home package approved, and construction started November 28, 2018.

Current 2 home builds:

- Gleneagles MW-140 - Hitchcock home approved for occupancy – landscaping in progress with projected completion date June 30, 2019
- Gleneagles MW-61 – Frampton home had 95% of landscaping completed before winter set in. Rest to be finished as soon as possible in the spring. Mitigation of drainage from pipe that had been changed, to be completed then as well.

Construction window expired: Z-6/7 – Holliday garage build. Project submitted 2010 with construction deposit of \$5000. Numerous follow-up contacts made, most recently certified letter signed receipt October 2017 requiring completion of the project NLT October 2018. No reply from Holiday. Recommend forfeiture of construction deposit and grandfather the home without a garage. **BOD action required.**

MOTION: Peter Mueller motioned to recommend forfeiture of construction deposit and grandfather the home without a garage. Jamie Duff seconded. Marvin Galts abstained. Motion passed.

Discussion ensued regarding modifications, new construction, and possible future issues. Barb Riley asked about repercussions if a newly constructed home doesn't follow guidelines. Diane Dubay related that the ARB is holding homeowners to a completion date and possible fines. Violations are no longer allowed to age. Diane Dubay related that this issue has been ongoing for years and wants it cleared off the books. Gabriel Hagg stated that he agrees to close out the issue. **ACTION & AMENDMENT TO THE MOTION: Institute forfeiture of the \$5,000 construction deposit, release the requirement to install a garage, and write a letter to the homeowner informing them of the Board's decision. Peter Mueller motioned to accept the motion as amended, Diane Dubay seconded. Motion passed.**

Remodels and Re-Landscaping:

- Lot T-04 - 101 Spyglass Hill Way - Completed re-landscaping around townhouse. Complete townhouse building repainted consisting of T-1 through T-4.
- Current – Extend deck - material and railings as existing – D-21 – 247 Oakmont Loop. A portion of landscape edging needs to be installed, which may wait till spring, otherwise completed.
- 848 Condos on the Green re-stained patio decks on lower units - Completed.

Diane Dubay concluded the ARB report.

BIM – Jamie Duff reviewed the following:

- New Light Fixtures: Light posts in need of repainting along St. Andrews to the intersection of Spyglass have been successfully painted with cans of spray paint. The remaining light posts will be painted in the spring, weather permitting. **ACTION: The BIM Committee will be completing an inventory of lights that are not working and asking homeowners to verify power to the post.**
- Armstrong Park: The BIM Committee met with Holly from Biggy's Landscaping to review the diagram JoAnn Cate had designed for landscaping. Holly is revising her bid for the proposed changes to the plan. **ACTION: New landscaping will be done in the spring as soon as weather permits and upon BIM approval of changes. Also, one of the benches from Pine Valley will be moved to Armstrong Park in the spring.**
- Tree Removal: Chris Bookman from Western Sky Tree Service was selected to remove the remaining dead trees that were targeted for this year. He had been recommended by Ralph & Linda Jarrendt. He was easy to work with and reasonably priced. The BIM Committee had obtained 3 bids, which varied from \$1050 to \$3869; Western Sky Tree Service was the lowest bid.
- Road Maintenance: The BIM Committee is negotiating with T-Bend for correction of road depressions along the entrance of Pine Valley Loop and obtaining bids for chip-sealing (per engineer recommendation). The BIM Committee is also entertaining bids for patching on Gleneagles Trail, and the proposal will be presented to the Board for review.

Diane Dubay reiterated that T-Bend needs to complete the repairs to their work without extra cost to Meadow Lake HOA.

- Entrance to Mountain Watch Phase I: The BIM Committee is continuing to work on the design for the entrance and will be sending a plan out for bid soon.

Gabriel Hagg stated that the traffic circle at Meadow Lake Drive and Gleneagles Trail should be removed. Jamie Duff mentioned that the BIM Committee is exploring ideas for the area. Pete Glee related that he had spoken with Meadow Lake County Water & Sewer, which authorized waiving the water hook-up fee at the intersection. Marvin Galts noted that the area does not have a lot of traffic, and JoAnn Cate suggested adding a 4-way stop in place of the traffic circle. **ACTION: Gabriel Hagg will talk with the City of Columbia Falls as to the process to remove the current traffic circle and replace it with stop signs, and Pete Glee will follow-up with Gabriel Hagg regarding his research into the issue.**

Jamie Duff concluded her BIM Report. As a side question, Paul Jaspar wondered about the status of a new Meadow Lake map. Pete Glee answered that Ann Rhodes will be working on the updated map, which will also be accessible on the Meadow Lake website. Barb Riley asked about using Bruce Lutz/SiteScapes if he can update the map since he was the original designer. Pete Glee related that he had tried several times to contact Bruce but has not received any response. Barb Riley offered to check with Bruce Lutz. **ACTION: Pete Glee will follow up with Barb Riley to see if there is any response from Bruce Lutz/SiteScapes regarding a map update.**

Finance Committee – Paul Jaspar related that there was nothing to report.

Social – Suspended/No Chairman – No Report

Mountain Watch Phase I Drainage Project - Out to Bid

Pete Glee stated that the following contractors have expressed interest in the project and have confirmed that they will be submitting bids:

- Finmark Construction – Pete Glee received a bid for \$80,445, which includes the recommendations from the engineer.
- Cutting Edge Construction- Mark Blandon – recommended by TD&H Engineering
- Hamilton Construction – Mike & Judy Hamilton – recommended by TD&H Engineering

He mentioned that Biggy's Landscaping declined to bid the project due to the size and scope of project. Diane Dubay expressed the importance of getting bids by a due date so that the project can be scheduled on the construction calendar for spring. Pete Glee commented that he did tell the contractors that Meadow Lake wants to award the bid soon and have it completed in the Spring of 2019. **ACTION: Pete Glee will gather the remaining bids and send them to the Board for review and decision.**

Audit Update: Out to Bid – Pete Glee reviewed the emailed information and recommendation from Greg Peck at JCCS, regarding audit structure and costs:

"A full audit of a financial statement would be no less than \$12,000 for a 1 time financial statement audit and based upon your revenue levels I don't recommend an "audit" under GAAP for such a small HOA. The HOA members nor the regular public rarely understand the word "audit" and what it is and isn't from a financial statement perspective. Again, my guess is an AUP (Agreed-Upon Procedures Engagement) is the best choice for the HOA. The audit is very formal and doesn't address items of internal concern (i.e. if everything looks good), it is for use of 3rd parties regarding the lending, investing or bonding purposes.

Simply put

1. Audit would be \$12,000 minimum for 1 time work and could be higher depending on state of accounting records
2. Review would be \$8,500
3. AUP – usually starts at \$3,500

Note: The full email from JCCS, is attached to the end of the meeting minutes, as Appendix A.

Pete Glee related that he had reached out to other accounting firms, and they do not perform full audits. Peter Mueller recognized the conflict of a full audit at \$12,000+ and the \$5,000 budget approved at the Annual Meeting. Paul Jaspar stated that the full audit expense is not surprising, and Marvin Galts mentioned that it is critical to explain the audit process and costs to the homeowners. **MOTION: Paul Jaspar motioned to table the decision on an audit and present the audit options to the homeowners at the 2019 Annual Meeting. Peter Mueller seconded the motion. Motion passed.**

Discussion and Action:

8. Meadow Lake West request regarding Golf Course Drive – Suggested amount: \$100/month

Pete Glee recapped the MLWHOA Board request to Meadow Lake HOA that (1) MLCCE HOA members use only lower Golf Course Drive, and (2) MLCCE HOA contribute \$100/month for repairs of the road and snow removal. Peter Mueller suggested that MLWHOA install a barrier if they want to keep the road private. Diane Dubay mentioned that the MLWHOA members only pay \$10/month for their HOA dues; therefore, she believes that \$100 per month is excessive, and she wouldn't want to pay more than \$50/month. Marvin Galts stated that Golf Course Drive is an integral part of the Meadow Lake road system and is a value to homeowners. Pete Glee asked, if Meadow Lake HOA contributes to the roads, will that set a precedence if more extensive road maintenance is needed. Gabriel Hagg answered that an agreement which clarifies the Meadow Lake HOA contribution would be necessary. Marvin Galts asked if the contribution would be one-time or ongoing. Peter Mueller asked what Biggy's Landscaping charges for MLWHOA snow removal of Golf Course Drive. **ACTION & MOTION: Diane Dubay motioned to (1) determine the snow removal expense for lower Golf Course Drive, and (2) once the value is determined, to offer a counter proposal to MLWHOA to pay for the snow removal of lower Golf Course Drive, and (3) to require MLWHOA to provide better signage to deter use of upper Golf Course Drive by Meadow Lake HOA homeowners. JoAnn Cate seconded the motion. Motion passed.**

9. Community Standards revision

Diane Dubay opened the discussion of revising the Community Standards to the Board for comments. Marvin Galts asked how the Board differentiates valid complaints from chronic complainers. Diane Dubay asked who enforces the Community Standards, and Pete Glee related that it is his responsibility. Marvin asked if having a boat parked in the yard is hurting the community, and what is the reasonable approach to the issue of underage/unlicensed individuals driving golf carts. Peter Mueller wondered if it is a judgement call. Paul Jaspar inquired if the rule could be changed to "reasonable manner". Pete Glee stated that homeowners are looking to the Meadow Lake HOA for enforcement of the rule. Marvin Galts suggested removing the requirement. Gabriel Hagg expressed looking at the overall issue of homeowners enjoying their property. Is Meadow Lake HOA over-regulating activities? **ACTION: Pete Glee will email the Community Standards to Peter Mueller for review, and Peter Mueller will make revision suggestions to the Board for consideration.** Barb Riley commented that the Board should also review the Community Covenants. Regarding allowing boats parked in yards, JoAnn Cate stressed the need to keep in mind that other items could fall into the same category, i.e. horse trailers, campers, work trailers, etc. Discussion arose over the Forest Service Cedar Crystal Trail system that will develop near Oakmont Lane. Jamie Duff mentioned that homeowners are favorable to access to the trail from the Meadow Lake Community. Jamie Duff also related a concern of homeowners over advertisements for Meadow Lake indicating that new buyers will have access to amenities. JoAnn Cate added that she had seen the misleading advertising in magazines. Barb Riley shared that the Board of Directors for the Timeshares are considering opening amenities to Meadow Lake HOA homeowners in order to initiate a revenue stream to offset timeshare maintenance costs. Discussion concluded.

10. Credit Card Processing – ACH payment option

See Financial report section above for course of action.

11. Community Amenities Committee Charter

Pete Glee discussed the proposal and the adjustment from Charter "Amenities" rather than "Center" so as to include more options. He stated that Barb Riley and Shannon Bowerman expressed interest in serving on the Committee. **MOTION: Marvin Galts motioned to accept the Community Amenities Charter as submitted. Diane Dubay seconded. Motion passed.**

12. Review and Approve Nominating Committee Members

MOTION: Diane Dubay moved to approve Nominating Committee Members Jamie Duff-chair, Steve Spotts, and Steve Riebe. Gabriel Hagg seconded. Motion passed.

13. Review and Approve Shannon Bowerman for BIM Committee

MOTION: Paul Jaspar motioned to approve Shannon Bowerman for the BIM Committee. JoAnn Cate seconded the motion. Motion passed.

14. Check Signing Policy revision

Pete Glee related that it has been a long-standing practice of the Board to require two signatures on any checks drawn on HOA bank accounts. This process needs to be affirmed and formally adopted as a Board Policy. Secondly, given that many of our board members have alternate homes off-site, a procedure for digital check review and approval needs to be established.

The following check signing policy is recommended:

1. All checks drawn against any HOA bank account must be authorized by at least two Board Members. At least one Board Member must be the President, Vice- President, or the Treasurer.
2. All checks drawn against any HOA bank account must contain the signatures of two authorized board members. One signature must be that of the President, Vice-President, or the Treasurer.
3. The use of a signature stamp is acceptable with the following provisions:
 - a. The printed checks and all supporting documentation must be scanned and transmitted via email to the board member.
 - b. After reviewing the material, the board member will reply to the email with his or her acceptance or decline. This reply will be printed and attached to the original documentation as proof of authorization to use the board member's signature stamp.
 - c. Upon this authorization the Manager may apply the board member's signature stamp to all approved checks.
4. Only one signature stamp may be applied to any check that is greater than \$5,000. The other signature must be hand signed by a present authorized board member.
5. All willing Board members will be added as signers on the checking account.

Approved as Policy 14.01 by the HOA Board of Directors on October 4, 2014.

Amended by the HOA Board of Directors on December 8, 2018.

Board members discussed the safety of using signature stamps. Pete Glee related the process for scanning checks and invoices for approval and signature. Stamps are locked securely. Pete Glee also mentioned that Jamie Duff could become an official signer since she is a full-time resident at Meadow Lake. **MOTION:** Paul Jaspar moved to approve the Check Signing Policy as presented. Peter Mueller seconded. Motion passed.

15. HOA Website Revision

Pete Glee informed the Board that Trina from INVISON is working on a new website design. Diane Dubay emphasized the goal of making the new site more user-friendly with less clutter. Pete Glee highlighted the inclusion of links to the sub-associations on the new design. **ACTION:** Pete Glee will continue to develop the website revision.

16. Strategic Planning Review

Diane Dubay reviewed the 2018 Fiscal Year Initiatives; she suggested making the adjustment to pt.#3, as follows: "review annually the maintenance schedule for the roads." **ACTION: Board Members to give thought to the Strategic Planning Initiatives and submit their input via email.**

Other Items:

17. Review of Meeting Schedule for 2019 meetings

March 9, 2019, June 1, 2019

- JoAnn Cate & Marvin Galts may not be able to make the March meeting. Paul Jaspar will not be at the Annual Meeting but will connect by phone.

Pete Glee informed the Board that he had contacted several local options for the Annual Meeting.

- Cedar Lodge in Columbia Falls: \$310 for ½ ballroom with extra charges for water, coffee, and microphone access. Approximately \$996.00 to rent the space.
- North Valley Building on Nucleus, Columbia Falls: Not available.
- Senior Center on Nucleus, Columbia Falls: \$65 to rent, nothing provided, and set-up, tear-down, and clean-up required.
- Rocky Mountain Lodge: \$200 rent with approximately \$30 or \$40 extra for water and coffee. Set up, tear down, and cleanup included.

MOTION: Diane Dubay motioned to have the Annual Meeting 2019 at the Rocky Mountain Lodge in Whitefish. Jamie Duff seconded the motion. Motion passed. The Board thanked Pete Glee for researching alternative options for the Annual Meeting.

All meetings to be held at 521 ST. Andrews Drive, #114 beginning at 10:00 A.M., except for the June 1, 2019 meeting which will follow the Annual Membership Meeting.

18. Adjournment

MOTION: Diane Dubay motioned to adjourn the meeting at 1:05 p.m., Paul Jaspar seconded the motion. Motion passed and meeting adjourned.

ACTION ITEMS

- 1. ACTION: Pete Glee will write the Meadow Lake HOA office landlord to request him to present the issue to the Owners of Building 1 for discussion and decision on allowing an unused vehicle to be parked for the winter in a guest space.**
- 2. ACTION: Pete Glee will contact Peter Tracy or Kyle Long to remedy the fence issue.**
- 3. ACTION: Pete Glee will find out if the new weed product is effective.**
- 4. ACTION: Pete Glee will purchase and have the storm door installed at the entrance for the Meadow Lake office.**
- 5. ACTION: Pete Glee will research the legal authority of the assignment/default of timeshare votes.**
- 6. ACTION: Pete Glee to contact bookkeeping firm regarding option to contract bookkeeping services with Diane Craft.**
- 7. ACTION: Pete Glee to investigate the extra expense for berm removal with Biggy's Landscaping and report back to the Board.**
- 8. ACTION: Pete Glee will review the Cyber-Security insurance documents and institute the requirements to confirm that the Meadow Lake HOA is properly insured.**

9. ACTION: Paul Jaspar will work with Pete Glee to adjust the Equity items on the Balance Sheet.
10. ACTION: Paul Jaspar will work with Pete Glee to move the rent payment for the sub-lease to the proper account.
11. ACTION: Pete Glee will investigate options to use a payment processing system through First Interstate Bank.
12. ACTION (& AMENDMENT TO THE MOTION): ARB/Pete to institute the forfeiture of the \$5,000 construction deposit, release the requirement to install a garage, and write a letter to the homeowner informing them of the Board's decision.
13. ACTION: The BIM Committee will be completing an inventory of lights that are not working and asking homeowners to verify power to the post.
14. ACTION: Armstrong Park - The BIM Committee will have additional landscaping done in the spring as soon as weather permits, and upon BIM approval of changes. Also, one of the benches from Pine Valley will be moved to Armstrong Park in the spring.
15. ACTION: Gabriel Hagg will talk with the City of Columbia Falls as to the process to remove the current traffic circle and replace it with stop signs, and Pete Glee will follow-up with Gabriel Hagg regarding his research into the issue.
16. ACTION: Pete Glee will follow up with Barb Riley to see if there is any response from Bruce Lutz/SiteScapes regarding a map update.
17. ACTION: Pete Glee will gather the remaining bids pertaining to the Gleneagles Drainage Project and send them to the Board for review and decision.
18. ACTION & MOTION: Diane Dubay motioned to (1) determine the snow removal expense for lower Golf Course Drive, and (2) once the value is determined, to offer a counter proposal to MLWHOA to pay for the snow removal of lower Golf Course Drive, and (3) to require MLWHOA to provide better signage to deter use of upper Golf Course Drive by Meadow Lake HOA homeowners.
19. ACTION: Pete Glee will email the Community Standards to Peter Mueller for review, and Peter Mueller will make revision suggestions to the Board for consideration.
20. ACTION: Pete Glee will continue to develop the website revision.
21. ACTION: Board Members to give thought to the Strategic Planning Initiatives and submit their input via email.
22. ACTION: Pete will draw up an amendment to the office lease for approval by the Board and the landlord which will provide for recapturing the lease hold improvements by way of the accumulating 12.5% equity from the lease payments during the life of the current lease, and any subsequent leases; until such time that the property would be sold. If property is sold to the HOA, this accumulated equity will be used to reduce the sale price of the unit.

APPENDIX A – EMAIL LETTER FROM GREG PECK AT JCCS

Board: This is input response from Greg Peck at JCCS for meeting on Saturday

From: Greg Peck <Greg.Peck@jccscpa.com>
Sent: Tuesday, December 04, 2018 12:54 PM
To: Pete Glee <pete@meadowlakemontana.com>
Cc: Tiffany Starkel <Tiffany.Starkel@jccscpa.com>
Subject: RE: Meadow Lake HOA

Hello Pete,

A full audit of a financial statement would be no less than \$12,000 for a 1 time financial statement audit and based upon your revenue levels I don't recommend an "audit" under GAAP for such a small HOA. The HOA members nor the regular public rarely understand the word "audit" and what it is and isn't from a financial statement perspective. Again, my guess is a AUP (Agreed-Upon Procedures Engagement) is the best choice for the HAO. The audit is very formal and doesn't address items of internal concern (i.e. is everything looks good), it is for use of 3rd parties regarding the lending, investing or bonding purposes.

Simply put

1. Audit would be \$12,000 minimum for 1 time work and could be higher depending on state of accounting records
2. Review would be \$8,500
3. AUP – usually starts at \$3,500

Below is an excerpt from a letter I have used that explains the different FS services that maybe helpful for the BOD or members:

Audit Engagement

An audit is the highest level of assurance that can be given on a set of financial statements. The objective of an audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. accounting principles. This opinion accompanies the financial statements with full note disclosures in the form of a report. Procedures normally performed during an audit include obtaining an understanding of internal control, assessing fraud and error risk, and the examination of evidence (such as bank statements and invoices) to support amounts and disclosures in the financial statements.

An audit is normally used to provide an organization's financial statements to third parties, such as a lenders or investors. Although an audit provides the highest level of assurance, many matters that come up in an audit are limited to items that are considered material to the financial statements as a whole. Furthermore, an audit considers internal control as a basis for planning the audit, but not for the purpose of forming an opinion on the effectiveness of an organization's internal control.

Review Engagement

A review is substantially less in scope than an audit. The objective of a review is to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for the statements

to be in conformity with U.S. accounting principles. This limited assurance statement accompanies the financial statements with full note disclosures in the form of a report. A review includes primarily applying analytical procedures to an organization's financial data and making inquiries of management and other personnel deemed necessary.

Ratios and trends are considered and used to assess the overall reasonableness of the financial statements. A review is not a substitute for an audit but its limited objective of the determination of limited assurance can be useful, particularly in the case of small businesses or non-profit organizations. A review is also used to provide an organization's financial statements to third parties, but the level of assurance is substantially less than an audit.

Agreed-Upon Procedures Engagement

An agreed-upon procedures engagement is one in which an accountant is engaged by an organization to perform specific procedures and reporting on the results of those procedures. The objective of an agreed-upon procedure engagement is to perform specific procedures to address risk areas and concerns deemed significant by the organization (for example, the cash receipts and disbursement process). **Unlike an audit or review, an agreed-upon procedures engagement is limited to performing specific procedures to address risks identified by the organization.** During an audit and review, risk areas are determined by the auditor and, generally, the specific results of the procedures are not reported to the company unless they result in material errors on the financial statements.

With an agreed-upon procedures engagement, the accountant does not perform an examination or provide an opinion on the financial statements. Rather, the accountant reports only on the procedures and findings. The report is intended for the organization's internal use and does not include financial statements and note disclosures. Many organizations use this report to make sure operations are on the right track and the fiscal duties are being properly performed.

Consulting Engagements

Accounting services that do not fall into one of the previously described categories are often performed by an accountant in the form of a consultation. A consultation engagement is more informal than the other services described in this letter but enable an organization to get the help they need at a lower price. Examples of consulting engagements we have performed for nonprofit organizations include internal control design and implementation, operational efficiencies, preparation for a regulatory audit, and many more. The price of a consulting engagement is normally performed on an hourly basis to allow an organization to receive and pay for only the services they need.

I am happy to visit with BOD or membership as needed to explain more or clarify more.

Greg D. Peck, CPA

JCCS