

Meadow Lake Country Club Estates Homeowners Association, Inc.

P. O. Box 2323

Columbia Falls, Montana 59912

(406) 897-2765

www.ml-hoa@meadowlakemontana.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

2018 Annual General Meeting Minutes-Proposed

Date: Saturday, June 23, 2018

Time: 1:00 PM

Place: Best Western Rocky Mountain Lodge Conference Room

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 homeowners included on the meeting roster.

1. Call Meeting to Order: Meeting was called to order at 1:04 p.m. by Diane Dubay.
2. Opening Comments: Diane Dubay introduced Board members, and she expressed appreciation for those attending.
3. Proof of Notice of Meeting: Pete Glee confirmed the Notice of Annual Meeting was posted on the website on December 22, 2017.
4. Roll Call and Certification of Proxies and Quorum: Peter Mueller verified the quorum requirements were met with a minimum of 80 (present or by proxy) owners needed for the quorum, with 87 confirmed.

Information/Action:

5. **Approval of Minutes of Annual Meeting (6/03/2017)** Diane Dubay called for the approval of minutes of Annual Meeting of June 3, 2017. Keith Armstrong made a motion to approve Minutes of the Annual Meeting of June 3, 2017 as presented. Barb Riley seconded the motion. Motion carried.
6. **General Manager's Report:** Pete Glee related the following items:
 - a. The internal audit which revealed \$25,000+ of uncollected dues was fully recovered. The revised operating policy includes a monthly bank reconciliation to be approved and signed by the General Manager and made available to the Board of Directors for review.
 - b. MLDC did not renew the lease for the MLHOA office. For effective management and administrative support to the members, efforts were made to keep the new office in the Meadow Lake community. Since alternate space in commercial buildings was not available, 521 St. Andrews, Unit 114 has been converted into office use, and will be occupied effective July 1, 2018. The move will increase the cost of office rental. The MLHOA also has a new phone number: 406-897-2765, which will be posted on the MLHOA website and the Nextdoor neighborhood website.

- c. Lack of timeshare unit representatives continues to be an issue. MLDC recently outsourced their dues billing, and MLHOA was unable to send the Meeting Notice and Call for Nominations for the 1st quarter billing without paying \$1 per flyer notification, which would have cost \$4,000-\$5,000. MLHOA sent a flyer to the Unit Reps on record and asked them to distribute the information to the co-owners of their units. Since most Unit Reps did not want to absorb this administrative burden, MLHOA is investigating a simplified and economical way to notify timeshare owners of MLHOA topics. Currently, MLDC has agreed to print a short notice from MLHOA on their quarterly invoices at no cost to us.
- d. The security contract with MLDC will not be renewed due to cost and a lack of use (less than a handful of reports per year). Most calls received have been related to fireworks or loud parties. If MLHOA receives a documented complaint with a verifiable place and date, Meadow Lake homeowners will be issued a warning. Subsequent violations will incur fines in harmony with Meadow Lake CC&R violation structure. The MLHOA and NextDoor websites will be utilized for notification when concerning events occur and responsible parties cannot be identified.
- e. MLHOA adopted an operating procedure to account for the disposition of forfeited compliance deposits that are uncontested and held for one (1) year. The funds are considered a fine and transferred to the "Other Income" line item/account.
- f. MLHOA is updating the Road Reserve Study and maintenance schedule for Meadow Lake community roads. Based on the assessment report from C&H Engineering, Pine Valley Loop and Pine Valley Court will be overlaid with asphalt. St. Andrews Drive, Augusta Loop, Seminole Lane, Spyglass Hill Way, Spyglass Hill Loop, Oakmont Lane, and Oakmont Loop will be chip sealed. Work should commence within this upcoming week.

Discussion ensued from the floor regarding a concern for the lack of security. Tim Timmons expressed that a roving security presence deters crime in the community. Many homeowners voiced support to maintain some type of security program. Chris Walters stated that MLDC runs through the community on a regular basis, and Barb Riley mentioned that, in the past, MLDC security submitted to MLHOA a report of security activity on a weekly basis. Questions from the floor also addressed the actual need to spend funds to overlay Pine Valley. Pete Glee stated that C&H Engineering recommended the work since Pine Valley had never been overlaid with asphalt. Pete Glee recently received the Road Reserve Study report but did not have time to fully review the information before the Annual Meeting. In short, the road reserves are currently well-funded, with \$322,000 left after maintenance is completed, and a scheduled yearly addition to the road reserve fund in the amount of \$30,000 to be maintained. The report will be posted on the website in the near future. Pete Glee concluded his report.

7. Standing Committee Reports:

ARB: Diane Dubay related that the Board of Directors adopted the revised Building Standards Document which merged the Mountain Watch Phase I and Meadow Lake standards. In December, the Board further adopted a change that adds Meadow Lake Drive, a Flathead County road, as an access route for construction vehicles that service Mountain Watch Phase I. Diane Dubay recounted the following Meadow Lake community construction projects:
New Construction

2 completed homes:

- Gleneagles Trail- MW-147 Marzik
- Seminole Lane- B-26 Biggs

3 current residential builds:

- Gleneagles Trail- MW-140 Hitchcock home approved for occupancy and landscaping in progress
- Gleneagles Trail- MW-61 Frampton submission of landscape plan required prior to ARB review and consideration of approval for occupancy.
- Oakmont Loop- D-27/28 Westcraft townhouses close to completion and landscaping in progress.

Remodels & Re-Landscaping

3 completed re-landscaping projects

- Gleneagles Trail- MW-146 Hunt/Izzo
- St. Andrews - Z-11 Lynch
- St. Andrews - Z-13 McElwain

1 remodel completed for St. Andrews - R-34 Morrow

1 current remodel for St. Andrews - Z-33 Johannsen

While there are no new applications at this time, there have been several inquiries, and 1 or 2 new construction applications are anticipated. Diane Dubay concluded her report.

BIM: JoAnn Cate related that the Board of Directors appointed James Wallace to the BIM Committee, and Jamie Duff was appointed Vice-Chair by the BIM Committee.

The installation of new light fixtures is complete. To process the rebate, Flathead Electric/Bonneville Power Administration requested documentation that light posts are required by the HOA. The BIM committee submitted the Building Standards for this documentation and the rebate is forthcoming.

Photo cells will be installed in any lamp posts lacking a photo cell. Lamp posts that need to be painted will be painted by the HOA.

The initial phase of the St. Andrews entrance upgrade is finished. Design options for the sign and surrounding area improvements are being considered.

Maintenance and repairs to Meadow Lake roads began last week. Work to be completed includes: re-leveling of manholes and valve boxes, crack filling, repair of major dips in the road, asphalt overlay of Pine Valley Loop and Pine Valley Court, and reinstallation of speed bumps. Chip sealing of remaining roads, except Gleneagles Trail, will start in the next few days.

The Gleneagles Trail road is being reviewed. The Board hired Thomas, Dean, and Hoskins, a civil engineering firm, to assess road stability issues resulting from run-off of melting snow, rains, and hillside springs. Members of the Board, the ARB, and the BIM committee met with the engineering firm on Tuesday to discuss the result of the assessment and to ask questions. The firm will send a written report with recommendations to MLHOA.

The BIM committee is reviewing the main entrance for Mountain Watch Phase I, at the intersection of Gleneagles Trail and Meadow Lake Drive, and considering future design and development of the common area.

An arborist concluded that the Grand Fir trees, which died at the north end of Gleneagles Trail, suffered from frost and insect damage. These trees will be removed soon.

The BIM committee would like to remind owners of the need for spring landscaping maintenance requirements following winter, wind damage, and overgrowth of plantings. Also, please let the

HOA know if you have noxious weeds in your yard, or if you notice them in the community. JoAnn Cate concluded her report.

Social: Diane Dubay mentioned that there is still a need for a chairperson on the Social Committee. Ann Stevens has accepted this responsibility for the last two years but recently tendered her resignation. Shannon Schardt has accepted the position of co-chair. Diane Dubay recognized Ann Rhoades as an outstanding Graphic Arts Specialist who prepares the event flyers. Theresa Carpenter and JoAnn Cate revitalized the "Homeowner Welcome" project by assembling and delivering gift bags with community information and products for new residents. The project expense was \$473. Annual events with an attendance of 45-65 people include the summer Pot Luck in the Park, St. Patrick's Day, Mexican fiesta, Fall Festival, Valentine's Dessert Party, and Rib Fest. The events are hosted by two Social Committee members who do a remarkable job organizing these activities. Event flyers are posted on bulletin boards located by the community mail boxes. Expenses incurred were \$460; proceeds collected amounted to \$400. Unfunded events that are well-attended include Tuesday morning Gab Fest, Book Club, Wednesday Women's Golf, and Pub Nights. Diane Dubay concluded her report.

Finance Committee: Pete Glee read the report for Paul Jaspar. The Board of Directors appointed Dallas Claypool to the Finance Committee, which also includes Paul Jaspar and Marvin Galts. The Finance Committee recommended to the Board to place excess Road Reserve funds into Certificate of Deposits. The Board approved this recommendation and invested the funds into two separate Certificates of Deposit: One CD is \$165,200 for 1 year at 1.75%; the second CD is \$165,200 for 2 years at 2%. The Finance Committee has had one meeting since the last Board meeting, and the main purpose of the meeting was to perform a detailed review of the 2018/2019 HOA budget. The Committee is recommending that the MLHOA terminate its contract with MLDC for security. Lastly, the Committee recommended the revised budget to the Board for approval with no changes to the HOA fees. The Board approved the proposed budget with changes and will submit it to the membership at the 2018 Annual Meeting. Discussion opened to the floor. One homeowner asked for clarification of where the road reserves were on the financials. Gil Lynch asked if the Certificates of Deposit were with Parkside Credit Union; Pete Glee affirmed that they were. Pete Glee concluded the report for Paul Jaspar.

8. Strategic Plan Review

Diane Dubay itemized the following focus for strategic planning: road maintenance schedule, resolve Gleneagles drainage issue, time share representative participation, execution of investment policies and procedures, reserve fund policy, greater sub association involvement, Tamarack/Gleneagles entrances, community center possibility, disaster preparedness plans, and Meadow Lake Community security. Diane Dubay concluded her report.

Community Center: Diane Dubay realized that the Community Center Committee Report had been missed, and she returned to Peter Mueller for his summary. Peter Mueller mentioned that a survey had been done, and the Community Center was rejected by homeowners. He felt that the survey was insufficient and not reviewed beforehand by the Board, so he would like to see a new survey submitted to the HOA membership. The Community Center Committee would still like to pursue on-site facilities. Discussion ensued from the floor. Gil Lynch would like to see the actual results of the survey, and Barb Riley would like to review the homeowner comments/feedback from the survey. Pete Glee will assemble the information. Questions arose regarding property that might be available in Meadow Lake for a community center. Barb Riley

stated that parks are only for common area green space and could not be used for a center. Gil Lynch related that property near the Adult Recreation Area is already slated for future development and would have no room for a Community Center. The Community Center Committee will continue to investigate possibilities for a center location. Peter Mueller concluded his report. -Action

- 9. Financial Report:** Pete Glee reviewed the financials as presented, highlighting the increase in the office lease and the capital expense for renovating the new office space. He noted the new income category for CC&R Violation fees for non-compliance issues. Due to a heavy snow winter, the snow plow contract expense had a large increase from the previous year. The HOA is also waiting on the rebate for approximately \$2,000 from Flathead Electric for the new lights. The capital expansion and stabilization reserve accounts are set up to enhance the Meadow Lake Community and to offset any operating deficits. These funds are not for a particular project, but for overall Meadow Lake future enhancements. Pete Glee will post the reserve policy on the Meadow Lake website. -Action

Pete Glee fielded several questions from the floor. Homeowners asked for clarification of costs for the road maintenance. Pete Glee stated that the overlay was nearly \$86,000, with total scheduled road maintenance expense this year of approximately \$240,000. Gil Lynch wondered what the cost was for the manholes and how many were repaired. Pete Glee stated that the cost was roughly \$17,000 and that he would investigate how many manholes were included in that cost. Homeowners also inquired about the \$6499 expense incurred for the office remodel. Pete Glee noted a few of the remodeling aspects, such as new flooring, window treatments, and fixtures. Barb Riley stated that the condominium unit had never been upgraded. Regarding the expense for credit card payments from homeowners to the HOA for dues, Tim Timmons asked if the HOA should start charging a small fee in accord with the industry standard of 2%-3% for payments by credit card. Diane Dubay mentioned the advantage for the HOA to use credit cards in order to have timely payments, and she affirmed that the Board would consider the possibility of adding a credit card use fee for payment of dues. -Action

Steven Spotts motioned to accept the Financial Report as presented, Barb Riley seconded. Motion passed. Pete Glee concluded his report.

- 10. 2018-2019 Budget Proposal:** Pete Glee directed attention to the proposed upcoming budget. He mentioned the 5-year office lease with the option to purchase. The contracted services reflect having an administrative assistant 3 days per week. The fees for the HOA Manager increased and include reimbursement for mileage and cell phone use. Discussion from the floor ensued. Member commented that \$77,200 in expenses to run an HOA office might be excessive; another member felt that the amount was customary in comparison to other associations of a similar size. Pete Glee highlighted the detailed work and busy schedule involved in managing the HOA. Homeowner wondered if the HOA had any property tax responsibility for the new office rental; Pete Glee stated that the owner of the unit was responsible for property taxes incurred. Question was discussed regarding an outside audit. Pete Glee indicated that a full audit from JCCS was about \$7,000-\$9,000 per year. JCCS recommended an annual internal audit performed by the Finance Committee which would certify that the books had been reviewed and verified. James Ablett noted that the HOA could choose a less expensive audit option. Homeowners voiced concern that an external audit was a high priority. Barb Riley motioned to have Meadow Lake HOA perform an annual external audit by an independent CPA

to review HOA financials, reserves, and transactions as of the fiscal year ending 06/30/18 and annually thereafter. Gil Lynch seconded the motion. The motion passed. -Action

The annual audit will be reviewed each year at the Annual Meeting, and Pete Glee will post the audit results on the website upon completion. JoAnn Cate also highlighted the fact that two signatures are now required on HOA checks, and the HOA Manager verifies reconciliation of accounts each month.

Barb Riley motioned to accept the proposed 2018-2019 budget with the amendment to add \$5,000 for the annual audit. Andy Riches II seconded. Motion passed. Pete Glee concluded his report.

- 11. Election of Board Members:** Diane Dubay asked Peter Mueller to verify the votes for the elections. Peter Mueller reported that Paul Jaspar was re-elected as a Timeshare Representative with 47 votes, and Jamie Duff was elected as a Homeowner Representative with 95 votes.

Other Items:

- 12. Public Comment:** Homeowners would like Meeting Minutes posted on the website for review before subsequent meetings. Homeowner on Meadow Lake Drive is concerned about making Meadow Lake Drive a construction access to Gleneagles Trail. Diane Dubay stated that Meadow Lake Drive is a public county road. Concern over children driving golf carts was also mentioned from the floor. Pete Glee stated that this is a violation of the Community Standards. He will include a reminder note in future invoicing, and he encouraged homeowners to notify the HOA Manager of violations. He will also include reminders on the HOA and NextDoor websites. Concern was voiced from several homeowners regarding the cessation of a security presence in Meadow Lake and the increase in non-residents bringing dogs into the area or entering the Meadow Lake community by 4-wheeler, especially in the undeveloped areas of Meadow Lake. Dogs and ATVs have also been spotted on the golf course. Diane Dubay stated that the Board would refer the concerns to the COPS committee, which would review the community issues and refine the security procedures. -Action

- 13. Next Meeting:** Saturday, June 1, 2019@ 1:00 PM (location to be announced)

- 14. Other Items:** Member asked why we are not having the Annual Meeting in Columbia Falls. Pete Glee shared that it would cost \$600/day for an adequate space at the Cedar Creek Lodge in Columbia Falls versus \$175 for the Rocky Mountain Lodge in Whitefish. Diane Dubay stated that the Board would explore other possible options in Columbia Falls. -Action

- 15. Adjournment:** Diane Dubay asked to adjourn the meeting at 2:58 PM. Ann Timmons motioned to adjourn the meeting, Steven Spotts seconded. Motion carried and meeting adjourned.