

Valhalla Building Three Association
Annual Meeting
December 15, 2016

Roll Call:

Owners Present: Kathleen Stehr, Brian & Jenny Kroeger, Justin & Katie Hawley, Carole Drath, Larry Kirkland, David Carlson, Kathy Schwartz, Russell Boyd, Darlene Ziemann.

The owner's represented 44.5% and owner's by proxy 8.4% with a total of 52.9% owner's present.

- Also, Judy Ohly - General Manager, Valhalla Condominiums.

Call to Order of Valhalla Association Three:

The Annual Meeting was called to order on December 15, 2016 at 7:03 p.m.

Proof of Notice of Meeting:

Proof of Notice of the Annual Meeting was presented.

Reading of 2016 Minutes:

Reading of the preceding meeting minutes was waived.

Presidents Report:

President Kroeger sent out a letter on October 17th, 2016 to all the Building 3 owner's reporting our expenses during the year of 2016 and the expected expenses for 2017.

- The total association income for 2016 was \$91,875.08.
- The total estimated budget for 2017 is \$101,646.
- The 2017 budget includes an 8.5% increase in the HOA fees to cover an increase in our expenses for 2017 and includes making sure that our budget is adequately maintained by setting aside an additional 10% of our reserve fund.
- The 10% is necessary because when the banks grant new home loans the purchaser could be denied their loan if they do not have 20% down and if the reserve fund is not considered adequately funded.
- The HOA increase was passed unanimously.
- Owner's owning 4.5% were increased \$26.93 per month (\$313.92 to \$340.92 per month).
- Owner's owning 3.9% were increased \$23.34 per month (\$272.06 to \$295.40 per month).
- Owner's owning 3.1% were increased \$18.55 per month (\$216.26 to \$234.91 per month).

Unfinished Business/ New Business:

Caretaker of Building Three:

- Darlene Ziemann recommended the caretaker's bonus should be the caretaker's gift.
- The recommendation was passed unanimously.
- Caretaker's Gift: Building 3 gave our caretaker a gift of \$150.

The Building Three Boiler:

- The boiler in Building three is the original boiler (46 years old) and still works, but is very old and could be a problem in the near future.
- President Kroger presented 3 bids for a new boiler system and recommended we consider purchasing a new boiler in 2017 and install in late spring/ early summer.

- This because - if the boiler would have to be replaced on an emergency basis in the winter time it would cost the building at least 20% more to purchase/ install as an emergency.
- The building association three voted unanimously for President Kroeger to follow through on the lowest bid (Superior Mechanical - \$19,300) and make plans for the new boiler.
- The owners will be assessed for the cost of the boiler and the assessments will be due on December 31st, 2017.
- In the meantime we will borrow the money from the reserve fund to pay for the boiler upon installation and the money will be paid back to the reserve fund as the assessments are paid off by the end of the year.
- The building voted unanimously that the assessment can be paid monthly, in one lump sum or anyway the individual owner's choose to pay their individual assessment.
- Added note: President Kroeger contacted Superior and the boiler will be installed in May of 2017.

General Managers Report - Judy Ohly:

See Attachment.

Nomination of New Director(s):

The Building Three Association unanimously chose to expand the number of directors on the board from three to five.

- David Carlson, Justin Hawley & Kathy Schwartz were nominated and unanimously voted on to accept the open positions on the board.
- President - Brian Kroeger, Secretary - Kathy Schwartz, Treasurer - David Carlson, Board Members - Russell Boyd & Justin Hawley.
- The rotation of directors will be Brian Kroeger & Justin Hawley in 2018, Russell Boyd in 2019, and Kathy Schwartz & David Carlson in 2020.

Motion to Adjourn:

A motion to adjourn the meeting was unanimously passed at 8:00 p.m.

Meeting Minutes Respectfully Submitted By:

Kathy Schwartz, Secretary