

VALHALLA ASSOCIATION 15 - BOARD OF DIRECTORS
Minutes – January 30, 2023 – 6 PM Valhalla Party Room

Welcome Directors & Guests: Jill Bailey, President. Meeting called to order at 6 PM. Jill Bailey reminded all directors to raise their hands if they wish to speak, wait to be called on and allow other directors to finish their thoughts before speaking. Guests were reminded they may speak at the end of the board meeting during the allowed time on the agenda. If guests wish to speak, they may speak about one topic and for no more than 3 minutes. If more than one guest wishes to speak about the same topic; guests must choose one (1) person to speak for the group on this topic. Everyone is welcome to attend meetings.

Jill Bailey reminded all attendees they are expected to be respectful to everyone at the meeting. If any attendee is not respectful or is disruptive in any way, they will be asked to leave the meeting. Board meetings have full agendas, and it is important the meetings stay on time and follow the approved agendas.

2023 is a new year and the Board of Directors are doing a re-set and a re-fresh.

Approval of Agenda: Jill Bailey President. A motion was made and seconded to approve the agenda with additions as noted under Old and New Business. No discussion. Motion carried.

Officer's Reports:

Secretary's Report: Linda Castiglioni, Secretary. Approval of December 5, 2022, and December 26, 2022, Valhalla Fifteen Association Board of Directors Minutes as presented by the secretary. A motion was made and seconded to approve minutes as presented by secretary. No discussion. Motion carried. Minutes are published on the Valhalla website under Building 15. <https://www.valhallacondos.com/info.php?pnum=31>

President's Report: Jill Bailey, President.

- **Monthly Newsletter Communication** for the 2100 Building. The Board of Directors will publish a monthly newsletter each month. This newsletter will include a classified section for owners and residents to advertise various items or services they wish to offer to others; or are looking for such. For example, sell something, give away something, rent something, or if you are looking for a service, i.e., house cleaner, plumber, electrician, etc. Please submit classified items to Jill Bailey by the 20th of the month. jillibailey@msn.com or leave a note in the basket on APT 102. Thank you.
- **Notice: 2023 Dates for Monthly Valhalla Fifteen Board of Directors' Meetings-** February 20, March 20, April 17, May 15, June 19, July 17, August 21, September 18, October 16, November 20 and December 18 and the Valhalla website. Meetings are held at 6 PM in the Valhalla Party Room.

Notation item: Building & Grounds Committee meetings are held the Monday prior to the monthly Board of Directors' meeting if there is a committee meeting for that month. Meetings are usually held at 4 PM in the Valhalla Party Room. Please refer to meeting notices.

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- **Building 15 Resident List-** Will be updated and sent out twice a year to all residents.

- **Annual Meeting** for Valhalla Fifteen Association’s Owners will be held sometime in April/May 2023. The Board is working on the preparations for this annual meeting and the documents for owners to review prior to this annual meeting. Currently, Directors are working on annual reports and the 2023 budget for the annual meeting.

- Jill Bailey reported she has received multiple inquiries from residents regarding the following topics.
 - **Spectrum (Charter) Cable TV** channel 4 (WCCO) is no longer be available through Spectrum/Charter. For CBS programming, please tune to KIMT channels 3 & 784.

 - **RPU** (Rochester Public Utilities – Electric Bill). Residents have questions regarding their RPU bill. Effective January 1, 2023, RPU had a new rate change (increase). RPU bills may appear as though residents are being billed twice, however, with the rate change on January 1st, the January bill is split. One line on the bill is for December 2022 rate and usage; and another line on the bill is for the new 2023 rate and usage. The entire billing cycle has not changed. Future RPU bills will only have one line for the 2023 rate and usage.

 - **United States Post Services (USPS) & Mail Delivery:** Rochester USPS is short staffed. There is a regular postal carrier for the 2100 Valkyrie DR NW building. However, if this person is off, a substitute postal carrier will deliver the USPS mail & packages. The substitute postal carrier will deliver their own route first and if they have time, they will deliver to the 2100 Valkyrie building. When the Bear Creek post office is short staffed, the post office will be staffed as a priority, and residential postal deliveries are secondary. If the weather is bad, or if the USPS carriers are short staffed, the mail for the 2100 Valkyrie DR NW building will not be delivered for that day.

 - Helpful hints to receive your USPS mail. Please ensure your address is correct and it includes your unit/apartment number. According to sources, postal carriers are not allowed to deliver USPS mail and packages without complete address information, and incomplete addresses will be returned it to sender. If you have questions about USPS deliveries, please call Valley High Drive Post Office at 507-287-1268 press 6 and ask for Becky.

Treasurer's Report: Jill Bailey, acting Treasurer. Cash balance as of January 26 was \$284,746. There are \$12,553 of pending special assessments. The final payment of the special assessment is due on or before March 31, 2023. All owners are current with the monthly HOA payments. Due to the upcoming annual meeting, the board will be reviewing Valhalla Fifteen Association’s finances which will include auditing the past 2-4 years revenues and expenditures. These financial report findings will be shared with all owners at future board meetings.

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Vice President's Report: Danette Anderson, Vice President

The Ad Hoc Valhalla 15 Governing Documents Committee was appointed at the December 5, 2022, monthly board meeting by the Valhalla Fifteen Association Board of Directors. This committee is educational in scope and the charge is to ensure the board has a thorough understanding of the new governing documents dated August 29, 2022. The committee is reading the governing documents line-by-line and paragraph-by-paragraph. There is discussion when a member or members need clarification, or if a real-world scenario is helpful to understand how a particular passage is applicable. There is no set meeting schedule; each meeting is scheduled individually based on committee member availability.

The January 23, 2023, committee meeting was posted so that any owner or resident may attend. Unfortunately, the January 23rd committee meeting was mistakenly posted as a regular Board of Directors' meeting. Future meetings of the Ad Hoc Valhalla 15 Governing Documents Committee will be posted to clearly differentiate them from regular board meetings.

All owners and residents may attend all open committee and board meetings.

Notation items from the Vice President:

(a) Ad Hoc Valhalla 15 Governing Documents Committee Minutes; December 19, 2022, at 4:00PM, Unit 106
Committee Members Present: Jill Bailey, Pam Burton, Kay Aune, Linda Castiglioni, Kevin Castiglioni, Danette Anderson. The meeting was called to order at 4:00PM. It was confirmed that the purpose of the committee is to read and understand the new governing documents that guide the Valhalla Fifteen Association Board of Directors. The group read and discussed the Amended and Restated Articles of Incorporation and began reading the Valhalla Fifteen Association Amended Bylaws. The meeting was adjourned at 5:30PM. The next meeting was scheduled for January 10, 2023, at 4:00PM in Unit 106.

(b) Ad Hoc Valhalla 15 Governing Documents Committee Minutes; January 10, 2023, at 4:00PM, Unit 106
Committee Members Present: Jill Bailey, Pam Burton, Kay Aune, Linda Castiglioni, Kevin Castiglioni, Danette Anderson. The meeting was called to order at 4:00PM. The group continued reading and discussing the Valhalla Fifteen Association Amended Bylaws. The meeting was adjourned at 5:30PM. The next meeting was scheduled for January 16, 2023, at 4:00PM in Unit 106.

(c) Ad Hoc Valhalla 15 Governing Documents Committee Minutes; January 16, 2023, at 4:00PM, Unit 106
Committee Members Present: Jill Bailey, Pam Burton, Kay Aune, Linda Castiglioni, Kevin Castiglioni, Danette Anderson. The meeting was called to order at 4:00PM. The group continued reading and discussing the Valhalla Fifteen Association Amended Bylaws and began reading and discussing the Valhalla Fifteen Amended and Restated Declaration. The meeting was adjourned at 5:15PM. The next meeting was scheduled for January 23, 2023, in Unit 111 at 4:00PM.

(d) Ad Hoc Valhalla 15 Governing Documents Committee Minutes; January 23, 2023, at 4:00PM, Unit 111
Committee Members Present: Jill Bailey, Pam Burton, Kay Aune, Linda Castiglioni, Kevin Castiglioni, Danette Anderson. Guests present: Christina Block owner APT 400, Bobbie Jeanne Williams tenant APT 400
The meeting was called to order at 4:00PM. It was noted that the meeting was posted as a regular board meeting in error. Future committee meetings will be posted to clearly differentiate them from board meetings. The group continued reading and discussing the Valhalla Fifteen Association Amended and Restated Declaration. The meeting

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was adjourned at 5:00PM. The next meeting was scheduled for February 6, 2023 at 4:00 PM, in the Valhalla Party Room. Guests are welcome to attend.

Master Board Representative's Report: Pam Burton. Master Board reviewed preliminary budget numbers for the overall complex. No decisions were made regarding the budget.

Building & Grounds Committee Report: Linda Castiglioni, Chair

Action item: Interior Refresh project: Flooring and baseboard status. This project is on-time in accordance to the Board approved December 28, 2021, project plan timeline. Project is expected to be completed in 2023.

Reviewed proposal dated January 17, 2023, from Mohawk/Durkan a division of Mohawk. This proposal outlines the board approved flooring and baseboard designs and colors (approved on December 5, 2022).

Presented a draft seaming diagram for the custom flooring and baseboards for the 2100 Valkyrie DR NW building, based on the build drawings of 1975 building. As a critical next step in the project, verification of the “seaming square footage” is imperative and must be completed. This verification requires physically measuring the entire 2100 Valkyrie DR NW building by a qualified professional who specializes in hospitality flooring.

Proposed request from Mohawk/Durkan is to verify the actual square footage of building’s flooring and baseboards so a final proposal could be completed. This verification requires either a Mohawk/Durkan representative perform the actual measurements at a cost of approximately \$1500; or have a local installer perform the verification measurements.

If the decision to have the verification measurements performed by a non-Mohawk/Durkan representative, then the board would be required to sign-off on any potential issues with the square footage verifications and Valhalla Fifteen Association would be responsible for any errors.

Recommendation is for Mohawk/Durkan representative perform the verification measurements of the 2100 Valkyrie DR NW building.

A motion was made and seconded to approve Mohawk/Durkan perform the verification measurements for the “seaming square footage” of the 2100 Valkyrie DR NW building. Discussion followed. Motion carried.

Yea: Jill Bailey, Danette Anderson, Pam Burton, Kevin Castiglioni, Linda Castiglioni

Abstain: Kay Aune

Interior Refresh Project Progress Report: Linda Castiglioni, Chair Building & Grounds

- December 28, 2021, Board of Directors approved Interior Project Timelines and budget. 2022 for Painting project and 2023 for Flooring & Baseboard project.
- January/February 2022 bidding for Painting project completed. 10 contractors contacted. Painting contractor selected in February 2022 and scheduled to begin in March 2022.

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- March and April 2022, Interior painting project in progress. Painting project completed in April 2022.
- May 2022, planning phase of flooring and base board project began.
- June - July 2022, preliminary flooring and baseboard measurements of the 2100 Valkyrie DR NW building were completed. The building has approximately 10,000 sq ft of flooring. Multiple flooring manufacturers (Hospitality “Hotel” category) were contacted directly. Multiple manufacturers’ samples (50+) of flooring and baseboards were requested. Rochester flooring companies were contacted for potential samples. Preliminary flooring and baseboard measurements were shared with flooring manufacturers and local companies. Local flooring companies did not provide Hospitality “Hotel” category and grade flooring samples.
- August 2022 Building & Grounds Committee selected approximately 12 sample flooring and three (3) potential baseboards for future review and study. Hospitality “Hotel” category of flooring and baseboards were recommended by committee based on appropriate use, durability, grade quality and projected life of product for the building. Local flooring companies were unable to match these hospitality product specifications.
- August 2022, flooring & baseboard measurements were shared with the Mohawk/Durkan. Mohawk/Durkan account representative/designer toured the 2100 Valkyrie DR NW building. Planning and designing process began with Mohawk/Durkan designer.
- September, October and November 2022, the Building & Grounds Committee worked closely with Mohawk/Durkan designer and explored potential various designs, colors, and types of flooring & baseboard products. Custom flooring samples provided by Mohawk/Durkan. Committee makes final recommendations of flooring and baseboard selections in November 2022.
- December 2022, the Board of Directors approved the Building & Grounds Committee recommended Mohawk/Durkan designs, colors, and types of flooring & baseboard products.
- January 2023, draft proposal received from Mohawk/Durkan on the proposed selected flooring and baseboards. Mohawk/Durkan request to verify flooring and baseboard measurements. Verification flooring and baseboard measurements with the Mohawk/Durkan representative will be scheduled.

Caretaker's Report: Jill Bailey reporting for Deb Dahley; No significant issues to report.

Welcoming Committee: Kay Aune/Jill Bailey. No new residents.

Old Business:

- 1) **Action item:** Brown House Fence encroachment status. Valhalla Fifteen Association has incurred excessive legal expenses resulting in no resolution to the encroachment issue. A motion was made and seconded to discontinue paying an attorney to represent Valhalla Fifteen Association, have a personal conversation with the owners of the brown house and to negotiate an agreement regarding Valhalla Fifteen Association’s property and the future use of it. Discussion followed. Motion carried. Jill Bailey and Linda Castiglioni will followup with owners of the brown house.
- 2) **Pending item:** Pending insurance claim to recover Valhalla Fifteen Association’s Reserve Funds of \$138,350 used out of compliance with Valhalla Fifteen Association governing documents to replace

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“limited common” (brown) windows on the North & South sides of the 2100 Valkyrie DR NW building in 2018. The (brown) windows were replaced in 16 individual end-unit apartments; X00; X01; X12; X15; on all four floors in 2018.

In January 2023, the Board of Directors filed an insurance claim on behalf of all 60 Owners to recover \$138,350 of Valhalla Fifteen Association’s Reserve Funds for the out of compliance use of “common element funds” for “limited common elements” (brown windows on end units) in 2018.

Linda & Kevin Castiglioni continue to provide information and documentation to the insurance company in support of this claim. Resolution pending.

New Business:

- 1) Phase 4 of Tree Trimming in the front of the building on the sidewalk side budget numbers received. No decisions made. Numbers for budget planning purposes only. Jill Bailey
- 2) Action item: Jill Bailey. Proposed increasing the distance from the 2100 building smoking is permitted within the Valhalla Fifteen Association property lines. Proposed change to allow smoking 100ft or more from the building. Current distance is 30ft from the building. A motion was made and seconded to change the allowed distance to 100 ft from the building: effective March 31, 2023. Discussion followed. Motion carried. Communication and signs will be posted.
- 3) Action item: Jill Bailey. Unapproved attorney expenses. During the past three years, attorney expenses for Valhalla Fifteen Association have been excessive and Valhalla Management Association’s attorney has been contacted numerous times for business advice versus legal advice regarding Valhalla Fifteen Association’s business. Proposal is to discontinue consulting with an attorney for business decisions and for the Valhalla Fifteen Association Board of Directors consult with a local Rochester attorney to represent Valhalla Fifteen Association for legal advice, as needed on a limited basis. Discussed a local attorney will be consulted for specific legal issues only and on a very limited basis. Discussed Valhalla Fifteen Association will no longer use Valhalla Management Association’s attorney and will select a local attorney, as needed.

A motion was made and seconded to require Valhalla Fifteen Association Board of Directors specifically approve consulting with an attorney before one is contacted on behalf of Valhalla Fifteen Association, as necessary. Valhalla Management Association may not consult an attorney on behalf of Valhalla Fifteen Association. All approved discussions with an attorney will be by a Valhalla Fifteen Association Board of Director representative(s) who will have specific approval from the Board of Directors for a limited scope. Discussion followed. Motion carried.

A motion was made and seconded for Valhalla Fifteen Association Board of Directors select a local attorney for Valhalla Fifteen Association legal advice, as needed and on a limited basis. Discussion followed. Motion carried.

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- 4) Rental Unit Cap for Valhalla Fifteen Association. Linda Castiglioni, Secretary
Per the Valhalla Fifteen Association August 2022 governing documents, a rental unit audit was completed in December 2022. Valhalla Fifteen Association has fifteen (15) current rental units. Valhalla Fifteen Association is currently at the maximum number (15 total) of rental units for the building, no other rental units are allowed, at this time. There are a total of 60 units in the building of which 15 are rental units, currently.

Excerpt from the Valhalla Fifteen Association governing documents dated August 29, 2022.

Valhalla Fifteen Association Amended and Restated Declaration.

Section 7 Restrictions on Use of Property; paragraph 7.17 Leasing.

paragraph b. *“Rental Cap. Subject to the provisions of this Section 7.17, no more than fifteen (15) Units at the Property may be leased at any given time.”*

Current units under the Rental Cap are the following:

104	Castiglioni
105	Castiglioni
107	Nelson
205	Kent-Kirckof
206	Castiglioni
209	Castiglioni
211	Castiglioni
306	Castiglioni
307	Castiglioni
400	Block
405	Castiglioni
407	Tischer
409	Shin, Joong-Han & Kim, Ki-Hyun
411	Banerjee
412	Barnett

- 5) Valhalla Management Association RAMB Committee Report: Linda Castiglioni Committee Member
(a) Discussion regarding the required repairs to the Indoor Pool and Indoor Pool area are estimated to be between \$300,000 to \$400,000 over the next two years. These capital expenses would be shared by all Valhalla Associations, including Valhalla Fifteen Association.

Valhalla Fifteen Association is responsible for approximately 15% of the overall complex expenses, which could be \$30,000 to \$60,000 for these proposed indoor pool capital expenses. These capital expenses would most likely require a special assessment for Valhalla Fifteen Association owners for the Indoor Pool.

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The RAMB Committee and Valhalla Master Board of Directors discussed the current low usage of the Indoor Pool by a limited number of Valhalla residents and what is the future strategic direction of Valhalla Condominium complex regarding amenities offered to residents.

If the Indoor Pool space were re-purposed, what other amenities could the complex offer to residents that are currently not being offered and are more valuable to residents? All-purpose flexible room, expand the exercise equipment space, etc.

Valhalla maintenance staff will be gathering estimates for multiple scenarios. No decisions were made. This project is in the exploration phase.

Valhalla Fifteen Association may want to explore how many current residents use the Indoor Pool and the frequency of such use. Valhalla Fifteen Association Board is seeking input from owners regarding feedback on what should the overall Valhalla complex do with the Indoor Pool.

Questions:

- How many times in the past 12 months has your household used the Indoor Pool?
- Is the Indoor Pool cost effective for the association to keep?
- Should the indoor pool space be re-purposed/updated to be more attractive to more residents to enjoy year around? For example, close the Indoor Pool, cover the area with flooring, and re-purpose the space to a gym court setting, expand the exercise equipment area, etc?
- Do you (owners) want to pay a special assessment (estimated at \$1,000/unit) to keep the Indoor Pool, as is?

(b) Steps from Valhalla Fifteen Association property going down to Valhalla recreation area are closed until further notice. Please use alternative routes to go to the Valhalla recreation area and office. Thank you.

6) Action Item: Discussed the Valhalla Management Association's Master Board of Directors and the number of current representatives from Valhalla Fifteen Association. Currently, Valhalla Fifteen Association has one (1) permanent representative slot on the Valhalla Master Board of Directors.

The Board of Directors of Valhalla Fifteen Association discussed the Valhalla Management Association adopt having two (2) permanent Valhalla Fifteen Association representatives' slots on the Master Board of Directors.

Currently, each building has one (1) representative regardless of the number of owners in each building. The number of owner units varies significantly amongst all Valhalla buildings range, yet all buildings are allowed one (1) representative per building.

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Building sizes range from eighteen (18) owner units up to sixty-five (65) owner units. Valhalla Fifteen Association has 60 owner units and is responsible for approximately 15% of the overall complex wide expenses.

The Board of Directors of Valhalla Fifteen Association requests the Valhalla Management Association adopt having two (2) permanent Valhalla Fifteen Association representatives’ slots on the Master Board of Directors starting in 2023. Jill Bailey will followup with Valhalla Management Association.

Guest Comments. Wayne Jasperson commented on the high legal expenses Valhalla Fifteen Association has paid during the past two years.

Meeting adjourned at 7:07 PM

	X = Directors Present			A = Directors Absent			
X	Kay Aune, Unit 308	X	Danette Anderson, Vice President Unit 111	Guest:	X	Guest: Brenda Miller Unit 306	
X	Jill Bailey, President, Unit 102	X	Kevin Castiglioni, Unit 105	Guest:	X	Guest: Kerry Castiglioni Units 206, 209, 211, 306, 307, 405	
X	Linda Castiglioni, Secretary; Unit 104	X	Pam Burton, Master Board Representative, Unit 404	X	Guest: Wayne Jasperson Unit 415	X	Guest: Karla Dison APT 203

Minutes respectfully submitted: Linda Castiglioni, Secretary

Special closed Board of Directors meeting regarding filling one Director vacant position.

President Jill Bailey called this Special meeting to order at 7:15 PM on January 30, 2023 in the Valhalla Party Room

- 1) The following Director resigned from their Valhalla Fifteen Association Board of Director’s positions: Director and Treasurer effective December 16, 2022: Wayne Jasperson Unit 415.
- 2) Excerpts from the Valhalla Fifteen Association governing documents dated August 29, 2022.
Amended ByLaws of the Valhalla Fifteen Association dated August 29, 2022
Section 6 Board of Directors; pages 4-8.

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6.1 Number and Qualification; page 4. *“The affairs of the Corporation shall be governed by a Board of Directors. The Board of Directors shall be composed of five (5) to nine (9) directors, who must be Members.” Note: “Members” are defined as “Owners.”*

6.8 Vacancies; page 7. *“A vacancy in the Board of Directors shall be filled by a person elected within 60 days following the occurrence of the vacancy by a majority vote of remaining directors, regardless of the number; except for vacancies created pursuant to Sections 6.2 and 6.9. Each person so elected shall serve out the term vacated.”*

- 3) On January 12, 2023, a solicitation to fill the one (1) Director vacancy was sent to all Owners. One Owner applied for the open position. No other Owners applied for this one (1) opening.

In a closed meeting on January 30, 2023, at 7:15 PM, the remaining Board of Directors (Kay Aune, Pam Burton, Danette Anderson, Jill Bailey, Kevin Castiglioni, Linda Castiglioni) met to discuss the one (1) owner applicant for the one (1) vacant Director position.

Results of this meeting were as follows. A motion was made and seconded to deny the owner's application for the open director position based on their ineligibility status per the terms and conditions of their November 21, 2022 resignation from the Valhalla Fifteen Association Board of Directors. Discussion followed. Motion carried.

Yea: Kay Aune, Pam Burton, Danette Anderson, Jill Bailey
Recused: Linda Castiglioni, Kevin Castiglioni

- 4) Effective January 30, 2023, there are now a total of six (6) Directors on the Board of Directors. At the 2023 Annual Meeting of the Owners, there will be a total of five (5) open Director positions. Per the governing documents dated August 29, 2022, the Board of Directors may be between 5-9 total Directors (Owners).

Closed meeting adjourned at 7:30 PM.

Minutes respectfully submitted: Linda Castiglioni, Secretary