

**VALHALLA ASSOCIATION 15 - BOARD OF DIRECTORS**  
**MINUTES – March 20, 2023 – 6 PM Valhalla Party Room**

**Welcome Directors & Guests:** Jill Bailey, President.

**Welcome Directors & Guests.** Board meetings have full agendas. Out of respect of everyone’s time and to maintain order during the meeting, board members and guests are asked to adhere to the following rules of engagement for a productive meeting. As a friendly reminder, board members are asked to raise their hand and be called on before they speak. In addition, guests are asked to wait until the end of the meeting for comments and/or questions. Guests will have three (3) minutes to speak. If more than one guest wishes to speak about the same topic; only one (1) guest may be the spokesperson on the topic. Thank you.

**Approval of Agenda:** Approval of agenda with addition: add “new process for projects.” A motion was made and seconded to approve the agenda with noted addition. Motion carried.

**Officer’s Reports:**

**Secretary’s Report:** Linda Castiglioni, Secretary: A motion was made and seconded to approve the January 23, 2023, Board of Director’s meeting minutes as written. Motion carried. Notation item: No meeting in February 2023.

**President’s Report:** Jill Bailey, President:

- On April 28 from 11am-1pm Arbor Day Silver Lake Park-Giving away free Trees (RPU).
- **See Something Say Something;** Owners, Residents and Guests are encouraged to report unusual activities on Valhalla Fifteen Association property. If you see something, please immediately report it to the Valhalla Office (507- 288-8347), call non-emergency Rochester Police Department 507-328-6800 and/or call President Jill Bailey 507-990-6042.

Why? There have been a few recent examples of incidents occurring on the 2100 Valkyrie DR NW property.

- Van parked by the shed in the parking lot for 3-4 hours; other vehicles pulled up next to the van; then would leave within 5-10 minutes. Van not owned by a Valhalla Fifteen Owner/Resident/Guest.
  - Vehicle parked overnight at the end of our private driveway next to the “2100 Valkyrie” sign from approximately 7 PM Friday to 10 AM on a Saturday. Non-resident owner called Law Enforcement and Towing company to remove vehicle.
  - Two people with Spectrum/Charter; walking around the building with shovels in hand and dug up some of the newly installed blanket seeding around the building. These individuals did not check in with the Valhalla Office before they came onto Building 15’s property.
- **Friendly Reminder;** Please stay off the grounds around the entire building. Why? Valhalla Fifteen Association paid \$13,500 to have new blanket seeding installed fall 2022. For this grass seed to take, the grounds must be undisturbed. Thank you!
  - **Valhalla 15 Association Director Code of Conduct.** A draft Code of Conduct was given to all current Directors. The draft is based on a Code of Conduct originally proposed by the Valhalla Master Board. A Code of Conduct sets expectations for professional conduct and fiduciary responsibility. The board recommends review and discussion of the proposed Code of Conduct at the next meeting.
  - **Valhalla Complex has a “No Soliciting in the Building.”** This “no soliciting’ serves as a notice to all door-to-door solicitors that the occupants (owners/tenants) of that dwelling do not want to receive unsolicited

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communication. If someone knocks on your door and you were not expecting them and/or did not invite them over; you are not obligated to answer the door and/or allow them (solicitors) to invite themselves into your home/residence.

- **Guidelines of The City of Rochester. “Quiet Enjoyment”.** All owners/tenants of Valhalla Complex have a right to inhabit or use their property (home/residence) without disturbance. This right of quiet enjoyment protects owners/tenants from intrusions and guarantees certain necessities of a home. Disruption of quiet enjoyment may constitute a legal nuisance. If someone knocks on your door and you were not expecting them and/or did not invite them over; you are not obligated to answer the door and/or allow them (solicitors) to invite themselves into your home/residence.

**Treasurer’s Report:** Jill Bailey, President; acting Treasurer.

Cash on hand = \$165,477.38, Building Reserves \$135,459.45; Accounts Receivables (Assessments outstanding) \$5593.36 for total of \$305,136.04 assets.

At the time of the meeting, all owner accounts are up to date with monthly HOA fees. There is \$5593.36 outstanding in final special assessment payment that is due on or before March 31, 2023.

The board is currently reviewing the proposed 2023 budget, the prior years’ unexplained/unauthorized expense variances, and the capital expenses reserve study conducted in 2022-23; in preparation for the annual meeting. Per the governing documents, there is not a set time for the annual meeting and/or for the board of directors to approve the annual budget.

Currently, there are numerous variables that are outstanding which have a direct impact to the budget and potential future expenses. Examples, include but are not limited to the following: significant unexplained/unauthorized expense variances paid by Valhalla Fifteen Associations in prior years’ actual financial records, potential capital expenditures for roof repairs due to recent water intrusion issues, final costs of completing the interior refresh project, etc.

The board is conducting their due diligence on the overall financial health of Valhalla Fifteen Association and will be auditing the financial records of prior years’ due to significant unexplained/unauthorized expense variances.

The board is reviewing the potential 2023 budget and the anticipated expenses to determine if a special assessment and/or an increase in monthly HOA dues for 2023 are required for Valhalla Fifteen Association. The board appreciates our owners’ patience with scheduling our annual meeting as the board wants to ensure the past and current financial numbers are in alignment. The board is working diligently to not increase monthly dues and/or have a special assessment. The board is looking at potentially having our annual meeting in May-June 2023, on a Saturday.

The board is closely reviewing various options Valhalla Fifteen Association could save money in this next and future budget cycles. Examples of budget reductions are all discretionary expenses previously paid by the association. These discretionary expenses will no longer be paid by the association and owners may donate towards these discretionary items if they wish. If owners wish to make donations, please contact Jill Bailey President or the Valhalla Office. Discretionary items include but are not limited to the following: flowers for the “flower wall” next to the driveway, flowers for the “flowerpots” for the front entrance, US flags in the boulevard down by the driveway entrance, additional outdoor furniture, other discretionary items, etc.

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Any expenses that are not direct capital expenses and/or required routine maintenance expenses directly related to the upkeep of the building shall be considered discretionary expenses.

**Vice President's Report:** Danette Anderson, Vice President

The Ad Hoc Valhalla 15 Governing Documents Committee completed a review of the amended governing documents. The group revisited governing document items previously flagged for further review and divided them into broad categories such as insurance related, standard operating procedures, Valhalla Management Association (VMA) and/or Master Board related, and MN Statute related. The group will seek out the appropriate subject matter experts to investigate and clarify. Thank you, committee members, for volunteering your time, experience, and expertise to this project.

Ad Hoc Valhalla 15 Governing Documents Committee Minutes; February 6, 2023, at 4:00PM, Valhalla Party Room  
Committee Members Present: Jill Bailey, Pam Burton, Kay Aune, Linda Castiglioni, Keven Castiglioni, Danette Anderson

Guests: Christina Block Owner Unit 400, Bobbie Jeanne Williams Tenant Unit 400, Susan Mainaga Owner Unit 109  
The meeting was called to order at 4:00PM. Danette Anderson was elected committee chair. The group continued reading and discussing the Valhalla Fifteen Association Amended and Restated Declaration. The meeting was adjourned at 5:00PM.

Ad Hoc Valhalla 15 Governing Documents Committee Minutes; March 14, 2023, at 4:00PM, Valhalla Party Room  
Committee Members Present: Pam Burton, Kay Aune, Linda Castiglioni, Keven Castiglioni, Danette Anderson

Guests: Christina Block Owner Unit 400, Bobbie Jeanne Williams Tenant Unit 400  
The meeting was called to order at 4:05PM. The group continued reading and discussing the Valhalla Fifteen Association Amended and Restated Declaration. The meeting was adjourned at 6:15PM. The next meeting was scheduled for March 17, 2023, at 4:00PM in the Valhalla Party Room.

Ad Hoc Valhalla 15 Governing Documents Committee Minutes; March 17, 2023, at 4:00PM, Valhalla Party Room  
Committee Members Present: Jill Bailey, Pam Burton, Kay Aune, Linda Castiglioni, Danette Anderson

Guests: Christina Block Owner Unit 400  
The meeting was called to order at 4:00PM. The group completed reading the amended Valhalla Fifteen Association governing documents at the March 14 meeting. The group revisited governing document items previously flagged for further review and divided them into broad categories such as insurance related, standard operating procedures, Valhalla Management Association (VMA) and/or Master Board related, and MN Statute related. The group will seek out appropriate subject matter experts to investigate and clarify. The meeting was adjourned at 6:30PM. The next meeting date is to be determined.

**Master Board Representative's Report:** Pam Burton, Master Board Representative.

Draft Survey Indoor Pool reviewed. No decisions made.

**Building & Grounds Report:** Linda Castiglioni, Chair

**Action item:** Interior Refresh project: Flooring and baseboard status. This project is on-time in accordance with 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

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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” was completed by the Mohawk/Durkan representative at a cost of \$1500. The board approved this \$1500 expense in January 2023 meeting,

Action items: Building & Grounds committee recommends the following items:

- Request approval for following items:
  - Square footage flooring materials required as presented by Mohawk/Durkan representative for each category of flooring proposed.
  - Linear custom carpet flooring for all hallway corridors. Sample provided.
  - Multi-directional custom flooring for all staircases, landing areas, north and south entrance areas. Sample provided.
  - Standard walk-off carpet 2 x2 carpet tiles for north and south vestibule areas, elevator, mailroom, north garage entrance area, 6' x 6' area outside elevator in garage. Sample provided.
  - White 6” rubber/vinyl baseboards in all areas with new flooring placement. Sample provided.

A motion was made and seconded to approve the above recommendations from the Building & Grounds Committee. Motion carried.

- Request approval to proceed with finalizing the Scope of Work for all required materials and labor to implement the flooring project.

A motion was made and seconded to proceed with finalizing the Scope of Work for all required materials and labor to implement the flooring project.

Notation items:

- There have been at least two (2) emergency water heater replacements in the building during this past month. Owners are financially responsible for the maintenance and repairs of their unit’s water heaters, damages caused by their leaking water heaters and contracting with their own contractors.

Leaking water heaters may cause water damage to the owner’s unit and water damage to other owner’s unit(s) below the leaking water heater. In addition, owners with failed water heaters will not have hot water for several days.

All owners are individually financially responsible for damages to their own units regardless of the cause. All owners are responsible for contracting with their own contractors for required repairs to their own units.

Water heaters for the building’s units are a specialized sized which can take several days to be delivered. To prevent emergency water heater replacements, Owners are encouraged to proactively replace their water heater if it is 7 years or older by contacting a licensed plumber. All water heater replacements require a City of Rochester building permit and inspection. Lastly, owners are encouraged to install a water sensor alarm and drain pan in the water heater closet.

- Water intrusion issues noted in some units due to potential issues with the roof. Valhalla Maintenance is investigating the cause of these water intrusion issues in some units. All owners are individually financially

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responsible for damages to their units regardless of the cause. All owners are responsible for contracting with their own contractors for required repairs to their units.

- Dates for parking lot, garage floor sweeping/washing, and garage drain cleaning; to be scheduled.

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 "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 followup with the insurance company on the status of the claim. The claim is now being reviewed by the insurance company's legal counsel. Insurance company has not requested any additional documentation regarding the claim. Resolution pending.

**New Business:**

- Phase 5 of Tree Trimming project for the front of the building along the sidewalk are being explored. Preliminary budget numbers have been received and will be reviewed by the next Building & Grounds Committee. No decisions made. Numbers provided for budget planning purposes only. Jill Bailey

**Caretaker's Report:**

- Deb Dahley. Caretaker requests all trash thrown in trash chutes is in a plastic bag that is securely tied. Why? If trash is not securely tied within a plastic bag, trash spills out of dumpster resulting in the trash room floor requiring additional cleaning and disinfecting. Please help keep our building clean and secure your trash in a plastic bag before throwing it down the trash chute. Thank you!
- Valhalla Maintenance department is looking for old rags and towels. Please contact the Valhalla Office if you have old rags and towels. Thank you.

**Welcoming Committee:** Kay Aune/Jill Bailey

- Unit 411 is listed rent.
- Unit 202 Sold Contingent
- Unit 307 – New Resident: Claudia Arenas

**Other Unfinished Business:**

**Old Business:** noted above.

**New Business:** Future projects will require a formalized process to ensure due diligence is completed prior to the project being presented to the Board for discussion and requests for potential approval. Referred this item to the Building & Grounds Committee for drafting and vetting a process. Proposal is for all projects to have an approved written Scope of Work prior to bidding; etc.

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**Guests Open Comments:**

- 1) Unit 406 David Daugherty owner requested the Board consider increasing the Rental Cap for Valhalla Fifteen Association.

The current rental cap is 15 units (25% of 60 total units) and is listed in the Valhalla Fifteen Association governing documents dated August 29, 2022. All Valhalla Fifteen Association governing document proposed changes will require owners' approvals. There was not a rental cap in the previous Valhalla Fifteen Association governing documents and at one time there were 23 rentals, which is 38% of the total Valhalla Fifteen Association.

Per the new governing documents (August 2022), the rental cap is 15 units, at any given time, which is 25% of the total building (60 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, per the August 2022 governing documents.

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.”*

All requests for changes to the Valhalla Fifteen Association governing documents must be presented in writing to the Board of Directors. Potential changes to the Valhalla Fifteen Association governing documents will require the following, including but are limited to, extensive review/vetting/editing, legal services expenses, and written approval from owners.

- 2) Unit 400 Christina Block owner inquired about the status of the request for a special meeting. President Jill Bailey responded to the request from Christina Block Unit 400, Wayne Jaspersen Unit 415, Karla Dison Unit 203, Carol Sabatke Unit 215.

Thank you for the conversation on Thursday, March 2, 2023. I appreciate the opportunity to hear your concerns and your ideas for calming tensions in Building 15.

During the conversation you requested I use my discretion as President to call a special meeting of the owners as permitted in the Valhalla Fifteen Association Bylaw 4.3 for the purpose of the owners to hear your concerns. Your additional requests included timely scheduling and a meeting location other than the Valhalla Party Room. We discussed the potential involvement of a third-party mediator to facilitate the meeting.

After further investigation and reflection, I will not call a special meeting of the owners for the following reasons:

1. MN 515B.3-103(g)(2) requires the Board to maintain confidentiality in *“pending or potential litigation, arbitration or other potentially adversarial proceedings, between unit owners, between the board or association and unit owners, or other matters in which any unit owner may have an adversarial interest.”* Therefore, these matters should not be discussed in an open board meeting or shared with other members (owners).

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2. Calling a special meeting of the owners on behalf of a small group of individuals is unfair to other owners who may also have issues they wish to bring forward at a special meeting of the owners but do not meet the threshold of at least 25% of owners entitled to cast votes in the Association (Valhalla Fifteen Association Bylaw 4.3).
3. The situation is primarily a personal matter between individual homeowners in the building. The cease-and-desist letters required the Board to respond. The Board did so by recommending your resignations, and you accepted the recommendations. The Board has no involvement beyond the response required by the letters.

I realize this may be a disappointment, but I hope you will understand that my priority is to preserve and protect the Valhalla Fifteen community by adhering to Minnesota statutes and the Valhalla Fifteen governing documents.

- 3) Notation item: Some guests caused unacceptable disruptions during the active board meeting by blurting out comments and not waiting for the open comment section. For the future, all guests who disrupt the board meeting will be asked to leave.

**Meeting adjourned at 6:58 PM.**

	<b>X = Present (Directors and Guests)</b>		<b>A = Directors Absent</b>				
X	Director: Kay Aune, Unit 308	X	Director: Danette Anderson, Vice President, Unit 111	X	Guest Owner: David Daugherty, Unit 406;	X	Guest Tenant: Brenda Miller Unit 306
X	Director: Jill Bailey, President, Unit 102	X	Director: Kevin Castiglioni, Unit 105	X	Guest Owner: Peggy Zieske, Unit 403	X	Guest Owner: Kerry Castiglioni Units 206, 209, 211, 306, 307, 405
X	Director: Linda Castiglioni, Secretary; Unit 104	X	Director: Pam Burton, Master Board Representative, Unit 404	X	Guest Owner: Carol Sabatke, Unit 215	X	Guest Owner: Karla Dison Unit 203
		X	Guest Tenant: Bobbie Jean Williams, Unit 400	X	Guest Owner: Christina Block, Unit 400	X	Guest Owner: Carol Kent-Kirckof, Unit 100

*Minutes respectfully submitted: Linda Castiglioni, Secretary*

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