

Lake Carlos Villas Cooperative Association
Board of Directors Meeting
Via Zoom Conference Call -- December 3, 2023
and reconvened dates of 12/10/23 and 12/27/23

Minutes approved by Board of Directors on 1-7-2024

1. Welcome/Call to Order

- Chair Nancy Seth called the meeting to order at 7:01 pm.
- Other directors present: Judi Johnson, Tom Lindquist, Jeff Nelson, Jim Overtoom, Keven Smith, Mark Wahlstrom, Susan Boris
- Directors absent: Pete Schwingle
- Other owners present: Matt Haskin, Rosemary Schneiderhan

2. Approval of Agenda

The Board agreed by consensus which items to cover at this meeting.

3. Secretary Report

The minutes from the Board of Directors Meeting on September 16, 2023, had been sent via email by Judi Johnson to all Board members prior to the meeting. There were no corrections or additions. Tom Lindquist MOVED and Jim Overtoom SECONDED that the minutes be approved. The Motion CARRIED.

4. Financial Report:

Jim covered the financial report which was distributed via email in advance. Following discussion, Jim Overtoom MOVED, and Mark Wahlstrom SECONDED, to purchase in December 2023 the remaining queen and full mattresses and foundations needed (estimated cost of \$13,000.00) and to prepay county real estate taxes of about \$5,000. The Motion CARRIED. Chair Seth clarified she will oversee purchase in December 2023 for delivery in January 2024.

5. Audit Report:

The combined 2021 and 2022 auditing report was distributed via email in advance. LCV Owner Matt Haskin & Board Member Tom Lindquist discussed the report from their site visit of 10/21/2023 and made suggestions to implement improvements for reducing redundancy and improving productivity and oversight for payroll; vendor invoices & checks; credit cards & purchasing; business account separation; software & hardware needs; insurance coverage; capital and large purchases; and banking. The draft work plan distributed via email by Susan Boris can be used as a project plan so that items can be assigned to Leads, can be taken in priority order and that there are deadlines for completion.

Matt has expertise in building financial processes to increase integration, reduce duplication, and document new procedures and policies. Matt said he is willing to work with Carrie to accomplish the streamlining efforts.

6. Task Force Report & 4 Motions

The Task Force presented their 10-page report in advance.

Under 6-A: The Motion from the July 24, 2023, board meeting was brought to the Table.

Jeff Nelson MOVED, and Mark Wahlstrom SECONDED to amend the previous motion to read as follows, the current Management Assistant be reclassified as the Onsite Manager, with the major responsibilities as listed on the attached Position Description dated 10-31-2023. Discussion followed. Mark Wahlstrom called for the Question.

A roll call vote was taken, with the following Board Members voting in Favor: J. Johnson, T. Lindquist, J. Nelson, J. Overtoom, K. Smith, M. Wahlstrom, S. Boris and Chair Seth. Board member P. Schwingle was Absent. The Amended Motion CARRIED.

Under 6-B: Jeff Nelson MOVED, and Mark Wahlstrom SECONDED that The position of Onsite Manager be a full-time position with an annual salary of \$43,680.00 and an additional \$140.00 per month to be used toward a health insurance plan". (The salary is based on 2080 hours/year at \$21.00 per hour). Discussion followed. Susan Boris outlined the three tests of the Administrative Exemption under Fair Labor Standards Act.

A motion was made by Jim Overtoom and SECONDED by Jeff Nelson to amend the motion on the floor to add the words, "and with a salary review at six months."

A roll call vote was taken for the amendment, with the following Board Members voting in Favor: J. Johnson, T. Lindquist, J. Nelson, J. Overtoom, K. Smith, M. Wahlstrom, S. Boris and Chair Seth. Board member P. Schwingle was Absent. The Amendment Motion CARRIED.

A roll call vote was taken on the Amended Motion (Item 6-B), with the following Board Members voting in Favor: J. Johnson, T. Lindquist, J. Nelson, J. Overtoom, K. Smith, M. Wahlstrom, S. Boris and Chair Seth. Board member P. Schwingle was Absent. The Motion CARRIED.

Under 6-C: Susan Boris MOVED and Kevin Smith SECONDED that The Board appoint a standing LCV Personnel committee to bring recommendations to the Board following evaluation of LCV human resources and related business operations, such as job descriptions, staffing and benefits. (Note: that current Task Force members volunteered to be the personnel committee: Jeff Nelson, Judi Johnson, Rosemary Schneiderhan, and Susan Boris).

A roll call vote was taken, with the following Board Members voting in Favor: J. Johnson, T. Lindquist, J. Nelson, J. Overtoom, K. Smith, M. Wahlstrom, S. Boris and Chair Seth. Board member P. Schwingle was Absent. The Motion CARRIED.

Under 6-D: Susan Boris MOVED and Mark Wahlstrom SECONDED, that the LCV Personnel Policies document, as drafted, be adopted effective with this Board Meeting of 12-3-2023; and that the Task Force members together with the Treasurer coordinate implementation of the MN law on Earned Safe and Sick Time by the 1-1-2024 deadline. Discussion followed. It is noted that several additional documents need to be created as companion pieces to the Personnel Policies document.

A roll call vote was taken, with the following Board Members voting in Favor: J. Johnson, T. Lindquist, J. Nelson, J. Overtoom, K. Smith, M. Wahlstrom, S. Boris and Chair Seth. Board member P. Schwingle was Absent. The Motion CARRIED.

7. Insurance Review-Tom

The current insurance policy document was distributed via email in advance. It is difficult to find any companies that will insure us due to our unique property.

A thorough review of items insured and \$ amounts is needed. Tom suggested a small committee of Owners with insurance expertise to help make a proposal around Feb-March 2024; renewal of the policy takes place in the summer.

(Items were handled in priority order thereafter)

Item# 14 – Fee Increases

Fee increases will be reviewed after Board Members receive information from Carrie on the current rates.

Additional Item – Board Member confirmation

Judi Johnson MOVED to confirm the election of Susan Boris who replaced Paul Rudberg for his term, and it was SECONDED. The Motion CARRIED.

Item #10 – 1st Draft of Hot Tub Letter – Is on hold.

Recess:

Mark Wahlstrom MOVED and Tom Lindquist SECONDED, that The meeting recess (9:17 p.m.) and reconvene on Sunday, December 10, 2023, at 7 p.m. via Zoom. The Motion CARRIED.

Part Two

The December 3, 2023, board meeting was reconvened on December 10, 2023, at 7:02 p.m. by Chair Seth via Zoom.

- Directors present: Judi Johnson, Tom Lindquist, Jeff Nelson, Jim Overtoom, Pete Schwingle, Keven Smith, Mark Wahlstrom, Susan Boris, Chair Seth.
- Other Owners present: Rosemary Schneiderhan

8. Resort Updates

Chair Seth gave the following updates:

- They have been unable to find a replacement person for fireplace cleanings. A question was raised, whether Dean could do it? Chair Seth said an estimated the minimum amount someone on the outside would charge is \$159.00 per fireplace.
- Replacement Door -- for unit #10 ordered and coming in this week, installation will happen when unit is available.
- The indoor pool will be painted this winter.
- Replacement mattresses project -- is progressing; Carrie will try to sell the old mattress sets to aid in lowering disposal costs.
- Defective windows were replaced.

9. Hot Tub

The hot tub has been going along, as long as possible. This past Tuesday it went down again; by Wednesday morning it was drained dry on its own. Dean has been spending 8-10 hours per week lately on the tub. On-Site Manager Braaten requested we shut it down; and immediately start work towards replacing it. The original draft letter to Owners about the hot tub issue is now moot. Presently there is no idea of anticipated costs.

Judi Johnson MOVED, and Susan Boris SECONDED to, create a task force composed of board members and other owners to study and obtain bids, and to make a recommendation to the Board for the repair and replacement of the hot tub.

Jim Overtoom MOVED, and Pete Schwingle SECONDED to Amend the motion on the table to include, that the Hot Tub Task Force provide the report to the Board by February 15, 2024. A voice vote was taken on the Amendment, and it CARRIED.

Chair Seth called for the Question on the Amended Motion and requested a Roll call vote, with the following Board Members voting in Favor: J. Johnson, T. Lindquist, J. Nelson, J. Overtoom, K. Smith, M. Wahlstrom, S. Boris and Chair Seth. Voting No: P. Schwingle. The Amended Motion CARRIED.

Discussion included how long the hot tub has been a problem (2020); and the types of interim repairs that have been attempted. Jim Overtoom suggested we hire a designer/architect of pools, to design a packet that vendors can use to bid on (there has been no success in finding people willing to work on it). A new draft letter to all Owners will be completed by Pete ASAP and sent via email to all board members for feedback before publication. We will ask for Owners to come forth with their own expertise or to make referrals to anyone else whom they may know who could assist.

Susan Boris requested Chair Seth and the On-Sight Manager document the current concerns from Owners about the hot tub; and keep a running list of names with concern, for future contact.

The Hot Tub Task Force members are Jeff Nelson, Mark Wahlstrom, and Tom Lindquist; with Pete Schwingle declining. Board members J. Nelson and M. Wahlstrom have professional contacts to reach out to, to get us started. Note: M. Wahlstrom states for transparency that his contact for pool/spa contracting, is a life-long friend as well. The company has been in business almost 50 years.

Item #11 – Fireplace cracks/leaks

Tim had been asked in April to obtain quotes. Jim also contacted six contractors and got no calls back. Discussion included considering chimney removal. It was noted the fireplace is from the original building that was here before LCV resort. A guess-estimate for a possible removal cost was \$10,000 from Pete. Jeff Nelson will contact some tuck pointers; Pete has pictures to send if needed.

Item #12 – Mattresses – handled under Resort Update.

Item #13---Best way to inform Owners of Board Meetings

Discussion included email vs. US mail; posting upcoming meetings on the website; and sending general communications via an email blast (some which do not require US Mail copies too). The most recent set of Minutes is posted on the website; approved minutes can be sent out by email. The LCV Board is required to have a Board meeting immediately following the Annual meeting.

To increase Owner participation in meetings, the board will offer a contact name, and due date to express interest to be invited to future Zoom meetings starting in February. The board wants their input and needs their help. Opening comments by Owners would have a 3-minute time limit.

The Board agreed to monthly standing meetings of the second Sunday evening of most months; and publishing them for the year 2024: 2/11, 3/10, 4/14,5/12, 6/9, 7/14, 8/11, 9/8 (10/13 may change to correlate with the Annual meeting), 11/10 & 12/8.

Item #14 2024 Fee Increases

Jim Overtoom briefly discussed the spreadsheet he sent out ahead of the meeting regarding proposed 2024 Fee increases.

Pete Schwingle MOVED, and Mark Wahlstrom SECONDED, to set the 2024 fee schedule as proposed. The Motion CARRIED.

Item #15 Spring Newsletter

Board members were asked by Chair Seth to think of topics for the Spring newsletter; articles due by 2/15/24.

Item #16 Health Savings Account and Insurance

Options are HSA or HRA – a health reimbursement account; can be run through a local bank. An HRA – is for reimbursement of premiums only, and requires a third-party administrator (fee based). An HSA – cannot be used to pay for premiums, but can be used for everything else allowable. Both require at least two participants.

There is a possible third option – a stipend paid to EE's for partial costs. We wait to hear more information to see if this is allowable. All options being considered, are for the salaried position only.

Item #17 Upgrading of Units 3 and 4

A brief discussion took place. Chair Seth shared a countertop replacement quote of over \$5000.00. Tom Lindquist requested this item be Tabled due to the fireplace repair needs in Unit 4 being a higher priority and directly impacting any remodeling plan that might be developed.

Other priorities for the 2024 budget were discussed: Painting of Unit 20/Housekeeping building and the pool building is in the budget for 2024, for \$13,000. There is one bid for a possible July start obtained by Jim. The board needs to make a decision on this item, including whether to accept this bid and get on the schedule (or not). It is urgent to use up the paint supply in 2024 due to expiration date. Also, concrete/sidewalk repairs are key for 2024.

Item #19 Assessing Units

Chair Seth suggested this activity take place in January 2024.

Item #20 Assessing Lifts

There is the potential to eliminate some lifts going in for 2024. A 2023 boat lift usage report needs to be devised by Pete and reviewed by the board.

Recess

Chair Seth MOVED and Jim Overtoom SECONDED that the meeting be recessed, and reconvene on Wednesday, December 27, 2023, at 7 p.m. via Zoom; with the continuation of the topics of our new ESST and PTO policies to be completed. The Motion CARRIED.

Part Three

The December 3, 2023, board meeting was reconvened again on December 27, 2023, at 7:02 p.m. by Chair Seth via Zoom.

- Directors present: Judi Johnson, Tom Lindquist, Jeff Nelson, Jim Overtoom, Pete Schwingle, Keven Smith, Mark Wahlstrom, Susan Boris, Chair Seth. Directors absent: Kevin Smith.
- Other Owners present: Rosemary Schneiderhan

It was announced we would vote on the hot tub issue tonight, by Chair Seth.

Item # 18 Re-visited

Re: Finalization of ESST and PTO Policies; Continuation of discussion about On-Site Manager FLSA exempt status.

Jeff Nelson MOVED and Pete Schwingle SECONDED, acceptance of the four documents sent out in advance of the meeting.

Discussion included corrections to several points on implementing the new ESST law; and options for our new PTO policy. Several fill in the blank areas, pending preferences from the On-Sight Manager will be completed asap and reported to the board. Rosemary Schneiderhan reviewed Carrie's status under the FLSA as salaried under the Administrative exemption. The Motion CARRIED.

Item #9 Re-visited

Re: Hot Tub

Mark Wahlstrom MOVED and Pete Schwingle SECONDED, that we accept the 12-21-2023 bid from MC&R Pools, Inc. of Sioux Falls, SD for \$72,641.00 for the hot tub replacement project; and noting the contract's limitations as listed (electrical, plumbing, etc.).

It was discussed and noted that the costs of the excluded items on the contract are not known at this time. And this bid does not include replacement of the heater nor pump. It is anticipated the project will take 10-14 days, starting mid-to late February; and workers will stay in LCV housing gratis. Treasurer Jim Overtoom discussed a CD coming due soon; possible special assessment ideas; and suggested the remodeling of units 3 and 4 be put on hold for 2024.

A Roll Call Vote was taken; Board Members voting in Favor: J. Johnson, T. Lindquist, J. Nelson, J. Overtoom, P. Schwingle, M. Wahlstrom, and Chair Seth. Voting Present: S. Boris. Absent: K. Smith. The Motion CARRIED.

Jim Overtoom will sign the contract and will work with Carrie for a down-payment check. Main Point Persons will be Jeff and Pete. Carrie's role in the project to be worked out and communicated to her; the Hot Tub Task Force will take care of communication with her and Dean.

The meeting was concluded at 8:17 p.m. without a Motion.

Submitted by: Susan A. Boris, LCV Secretary