

BALLANTRAE CONDOMINIUM ASSOCIATION, INC.

BOARD OF DIRECTORS Amended Meeting Minutes

DATE: July 1, 2021 **TIME:** 10:00 A.M. **LOCATION:** Miller Management

Board Members Present: John Frazzini, Jack Seaman, Pat Paulson, David Dicke

Attendees: Mike Miller, Manager, 4 residents attended

Call to Order: The meeting was called to order by John Frazzini at 10:10 A.M.

Approval of Minutes: Pat Paulson made a motion which was seconded by Jack Seaman to waive the reading and approve the minutes from the last Board Meeting on March 13, 2021. No discussion. Motion passed unanimously.

New Business:

1. Discussed bush removal at David Strattard's home. David Dicke, Grounds Chairman, explained the overgrown bush is blocking his view and is requesting to remove it and replace it with lower plantings to improve the looks. The bush is woody and old and we would need to be careful in removal due to cables, sprinklers, etc. The resident is willing to cover the cost. Any resident concerns will be handled by David Dicke.

David Dicke made a motion to remove the bush with as little disturbance as possible to the root structure, replacing with sod. Motion seconded by Pat Paulson. No discussion. Motion passed unanimously.

There was an open discussion regarding putting Jim Woods on the Grounds Committee. The Board expressed their opinions and it was decided not to at this time. David mentioned he would be talking to Jim to let him know he can share his concerns directly to him and he would relay them to the appropriate people.

2. Discuss budget shortage. We have done an analysis of our contract and non-contract spending. With the contract spending alone, we will fall short by the end of the year. Miller Management and John did an analysis and arrived at three possible options;

Option1 - Special Assessment – Board can approve if it is less than 10% of the budget.

Option2 – Borrow from Reserves - requiring a vote from all members, 51% required to pass.

Option3 – Use funds from 2022 1st quarter to pay 2021 bills. The amount used would be added to the HOA fees for 2022. This was thought to not be an appropriate approach.

The Board agreed to present Option 1 - Special Assessment, with terms, to a Members Meeting. David Dicke made a motion we have a Special Assessment with terms, Jack Seaman seconded the motion. It was discussed that this or any other option would not preclude an increase in

HOA fees for 2022. The board recognized that with inflation and other expected expenditures in the budget the HOA Fees would have to be increased in 2022. Motion passed unanimously.

John will work with Miller Management to come up with the Special Assessment amount.

Questions & Answers

Question: Can you explain how the contract items went over budget?

Response: There were 2 budget errors identified:

Earthworks: Their increase was 1.5 percent, budget was less than that.

Comcast: Restricted to 4% increase but we failed to account for the differential taxes and regulatory increases.

Question: Why didn't we have knowledge of the budget issues earlier?

Response: We became aware of the issue in the spring and immediately stopped all discretionary spending. However, emergencies do occur and something had to be done to increase association revenue. We did an analysis and made decisions on a timely basis once the overrun of the budget occurred. It is only half way into the year and we have reacted in a manner consistent with good governance.

Comment: Fran Clymore mentioned she wrote a 4-page memo last year, before the Annual Meeting, suggesting budget meetings with outside participation and several other items that needed attention. She stated the Board did not answer all of the items.

Response: The Board responded in writing within 30 days to each item. Unfortunately, the perceived deficiencies were not brought to the Board's attention in a timely manner once the responses were received.

Comment: A suggestion was made regarding the budget with ideas on reviewing the budget in order to avoid any surprises with the possibility of an outside source.

Response: Mike and John will have a discussion with our Auditor over budget concerns. A phone call was placed to Ballantrae's CPA and the discussion ensued with the CPA indicating that his help would not be useful to create a budget shortfall analysis. No CPA would have the knowledge to provide a service to analyze the budget. Ballantrae will be using Miller Management to complete the analysis.

Comment: We don't get an opportunity to stand up and give our opinions.

Response: All residents have a right to stand up and voice their opinion at any Member or Board Meeting. We had a community forum Board meeting in March, inviting the owners to express their concerns and questions.

Comment: I don't think there were any Minutes to the March community forum meeting.

Response: The minutes are posted under Community Meetings/2021 on the website.

Comment: There are some residents unhappy with the Board.

Response: Those residents should step forward and address their concerns so the Board can address them. Fran Clymore offered to get back to us with the list.

Question: When are we going to address the crumbling sidewalks, driveways, and storm drains? Muirfield Dr. looks like 'condemned property'. The storm-drain on Carnoustie Dr. needs attention sooner than later. Do we know what the costs would be for the repairs?

Response: We will check and see if it is in the reserve study. If it is, we will take care of it in a timely manner and make sure it is in reserves for next year to cover all of these items.

Question: What is the process if we decide to spend more than what is budgeted?

Response: If that happens expenses can be authorized by a committee or board members.

A resident brought up a legal matter that we cannot discuss or post due to ongoing litigation.

Adjournment: Pat Paulson made a motion to adjourn the meeting.

David Dicke seconded the motion. No discussion. Motion passed.

The meeting was adjourned at 11:40 A.M.

Respectfully submitted,

Pat Paulson, Secretary

Date: July 1,2021