

The Marsh Ridge HOA Board met Wednesday, November 16, 2022 at 6:30 pm at 577 Marsh Dr. Board members Jon H, Zelda M, Joe K, and Liz F were present, John B was absent. 10-12 association residents were in attendance throughout most of the meeting.

The meeting was called to order, and the agenda was approved (4-0). Minutes for the October 11th meeting were also approved (4-0).

The October 31, 2022 financial report was reviewed and accepted (4-0). Joe K initiated a discussion on the recent increases in savings and CD rates and presented current rates from one local bank. Three issues were raised – the balances in the two reserve accounts, the rate of return being earned on those accounts, and the reasons for carrying significant amounts in the two reserve accounts.

[Ref. MN 515B.3-114 Replacement Reserves. Although it does not specify dollar or percentage amounts, Minnesota HOA statute is clear on the requirements an association must meet with respect to carrying reserve funds and the use of same for replacement purposes. Once deposited to reserve accounts, the funds cannot be used to supplement funds for operations. MN 515B.3-106(c)(2) also requires the HOA annually prepare “a statement of the association’s total replacement reserves, the components of the common interest community for which the reserves are set aside, and the amounts of the reserves, if any, that the board has allocated for the replacement of each of those components.”]

Following the fiscal year end on 12/31/2022, at the January 26, 2023 meeting, the Board will review all the cash accounts and make adjustments as deemed appropriate.

Old Business:

- Annual meeting (9/15) and board meeting (10/11) minutes, and an updated address directory, have all been posted on the website.
- Liz F presented a quote from Five Technology, the firm that manages the HOA website, for assistance in setting up a business email domain and shared in-box for use primarily by the Board. Due to increased use of email to conduct business, an internal email workspace offers advantages such as retention of email streams regardless of board member changeover, and improved communication between the Board and residents. The bid for setup and training was \$320-\$640 (\$160/hr) plus approx. \$30 per month for the Google Workspace subscription for 5 board members. The Board approved (4-0) moving forward on the bid and email setup.
- In conjunction with a proposed by mail, paper ballot, association vote to settle the recently contested proposals to either raise twinhome dues or maintain the current assessments, a discussion ensued with both Board members and attendant residents, on the allocation of funds to repair and maintenance versus capital expenditures, and reporting of each.

The legal distinction and restrictions on reserve funds, as opposed to operating funds, was considered, as was the allocation of collected monies to the two types of accounts. A 6 year income and expense spreadsheet prepared and presented by Liz F provided historical context to the discussion. The sheet also included budgeting out 3 years to illustrate the potential effect of flattened dues collection on operations and reserves.

A tentative plan was outlined to complete the fiscal year on 12/31/2022; prepare all the required financial statements and annual reports in early 2023; and follow-up with mailed reports to unit owners.

On a date to be determined, a paper ballot will be mailed to unit owners with a referendum on annual assessments and notice of the “return by” date. The ballot mailing would also

include notice of a special meeting to be held in mid-May to communicate results of the vote and any other pertinent information or discussion.

The tentative plan will be revisited at the January 2023 Board meeting.

New Business:

- In an effort to better update HOA residents, an informational insert will be added to the next quarterly billing statement, and each quarter thereafter.
- Recent mailbox damage incurred by a visitor will be repaired by Rich Jerde, and a bill submitted to the visiting party for reimbursement.
- Joe K has been working with Rich Jerde to set up a yearly schedule (spring and fall) for a walk through and listing of twinhome maintenance and repairs. Joe is also inviting residents to participate in the walk throughs.

Joe has prepared a non-binding letter of understanding with Rich Jerde that includes a commitment by Jerde, together with his employees, to devote a full week (or as needed), both in early May and late October of 2023, to complete repair and maintenance items as listed.

The list will begin with certain items considered annually scheduled maintenance.

Repairs not on the annual or walk-through list, but specifically requested by a homeowner, are to be first submitted to Joe K for review before they are added to the Jerde list.

Jerde is to provide itemized invoices indicating unit address and work performed. 2023 charges will be \$70.00 per hour of work performed, plus 10% of materials purchased.

- Last meeting the Board approved 2023 funds for biennial inoculation of ash trees against ash borer. Discussion on alternative plans to remove and replace ash trees is ongoing. No obvious method has been ascertained for determining which route is preferable for any one given tree. Joe K is collecting prices on replacement trees from various sources. Examination of individual trees will commence again in the spring. At this time there is no known source with expertise on ash borer to hire for tree inspection.
- Joe K is also collecting prices on replacement shrubs from various sources.
- Consideration of changes to update and clarify sections of the association's covenants and by-laws is ongoing. Jon H requested each board member submit a list of the changes they feel would be beneficial to association management.
- Recruitment for board member changeover is ongoing.

Next Board Meeting: January 26, 2023, at 6:30 pm, at 615 Marsh Dr