

MINUTES for MRHOA Board Meeting held **Wednesday, Sept 11, 2024** at 577 Marsh Dr

■ Present were Jon H, Bruce L, John B, and Liz F. Zelda M absent.

■ Draft Minutes of August 7th Board meeting approved (4,0).

(Amendments or material corrections, if any, to prior minutes are noted in current minutes.)

■ Next Meeting:

All-Member Annual Meeting Sunday–September 22, 2024 6:30 pm at Delano Senior Center

■ Officer Reports/Updates:

- Reviewed comparative cash flow history including 7-year average up to 2022, last year 2023, and year to date 2024. Indications are that dues increases have kept up with fixed operations expense, but not necessarily with variable operations expense plus amounts needed for capital expenditures and/or reserve savings.
- Insurance premium increase for remainder of 2024 offset by reduction in 2024 water use, possibly freeing up limited funds for additional fall and winter projects.
- After reviewing additional criteria for using treasurydirect.gov to directly purchase T-Bills as Reserve investments, the Board voted (4,0) to proceed with setting up a corporate account on the website. A Board Resolution will be drafted for signature by all Board members authorizing Liz Fautsch to handle the online investment transactions in accordance with Board decisions on such transactions. Transactions involve direct ACH transfers between an Association bank account and the U.S. Treasury, with such transactions visible to the Treasurer within days via the bank's online account access.
- Pending completion of the above, the Board approved (4,0) purchase of (6) \$25,000 T-Bills, each with a term of 26 weeks. Treasury bills are competitive with short term CD rates, but interest earned from T-bills is not subject to a 9.8% MN income tax that CD interest is subject to.

■ **Unfinished Business: left over from previous meeting(s) for discussion and/or action.**

☒ The Board is still holding a conservative position on expenditures pending results of Reserve Study due in October.

☒ Insurance – The Board approved (4,0) accepting the premium proposal effective October 1, 2024

- Premium for Twinhome property insurance increased from \$48,513 to \$60,216 – a 24% increase.
- A 10% increase in property values will increase the wind/hail per building deductible that owners need to cover with their HO-6 loss assessment coverage. Owners will be advised of the new deductible amount applicable to their building.
- The HOA's 2024-25 general liability annual premiums total \$3,958 - slightly less than 2023-24.

■ **New Business:**

☒ Annual Meeting Agenda - Topic Updates

- Handout for annual meeting will include an updated allocation of dues paid to actual 2024 spending and tentative 2025 spending.

- The Board approved (4,0) engaging the firm of Michael P Mullen CPA in Minneapolis to perform a review of the 2023 financials in 2024 and a review of the 2024 financials in 2025.

Cost for each year is \$ 1,190 and includes the HOA 2024 tax return (2023 tax return was prepared by a local CPA who does not perform audits or reviews). A two-year review was chosen because starting in 2024 dues record-keeping and other updated features were incorporated into an accrual-based accounting software that is widely used as a business software and is easily shared with an accounting professional.

☒ Repair & Maintenance Projects Approved by Board (4,0)

- Jenco – \$1,880 for lawn repair in several yards where trees were trimmed or removed. Approval includes reasonable add-on for needed work missed in original bidding task.
- Proceeding with Jerde handyman work list as submitted – including shutter repairs and repair to one doghouse. Also includes miscellaneous repairs to some twinhome units.
- Some fence and siding repairs are pending until Jerde can make an on-site inspection for bidding purposes.

■ **Unfinished Business continued to after annual meeting:**

- The Board reaffirmed that removal of stumps from overgrown arbor vitae and blude spruce shrubs that were cut down earlier this year and are located in rock areas adjacent to the buildings, will be held off until a plan is finalized for replacement plantings and can be bundled as a single project for bidding.
- List of essential tree pruning and crabtree treatment. Tree trimming can be done year-round, including winter months. Treating crabtrees for scab must be done in early spring when leaf buds are just beginning to open. Separate lists will be created for bidding purposes.
- Washmasters has submitted an attractive tentative bid for all 32 units with gutters, but bid will be finalized after they do an on sight walk through. Service includes inspection of gutter condition. Work would not proceed until trees have stopped dropping leaves.
- Bids are actively being sought for necessary sidewalk repairs where there is either tripping hazards or step risers that exceed code maximum of 7".

■ **Miscellaneous**

- A dues comparison with other local associations was reviewed and noted for the various factors that contribute to variances between associations.
- Litigation by the national Community Associations Institute has been initiated to exempt Directors of homeowner associations from the annual BOI filing requirements of the new federal Corporate Transparency Act (CTA). Until such litigation is settled, Each Board Director will still be required to file the annual report by end of year.