

**MINUTES** for MRHOA Board Meeting held **Wednesday, Apr 9 2025** at 577 Marsh Dr

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

■ Draft Minutes of Mar 5 2025 Board meeting approved (4,0).

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

■ Next Meeting: Wednesday May 7 2025      Annual Meeting set for Sunday, May 18 2025

■ Officer Reports/Updates:

☒ Treasurer & Accounting

- Reviewed 1<sup>st</sup> Qtr 3-31-2025 financial statements and investment status. Both flex certificate and T-bill rates are holding between 3.5% and 4.3%.
- Reviewed legal bill received via email covering next step completed in ongoing collection action.

☒ Other

- 2023 CPA Review completed, 2024 review begun. MRHOA contracted for (2) 1-year reviews. The first for accounting records using software that did not meet minimum GAAP standards (Generally Accepted Accounting Principles) expected of an HOA; and a second for accounting records using GAAP software better geared to the HOA's needs, and incorporating dues billing, receipts, and tracking.
- Using 2023 1120-H tax return prepared by Jeanne Matter CPA as a guide, the Association will self-file the 2024 1120-H (due April 15<sup>th</sup>). The Board discussed the need going forward to have professional backup and review of the accounting and tax returns. After tax season, Jeanne Matter will be contacted to see what arrangements might best serve MRHOA.

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

☒ Effective March 26, 2025 domestic companies are exempt from filing BOI reports with FINCEN under the Corporate Transparency Act. The notice came out in time for MRHOA to avoid filing entirely.

☒ Another insurance broker was contacted about TH property insurance. Broker's advice was to stay put with Hartford as long as Hartford will renew the association with its current policy. Also, it is questionable if MRHOA can rely on keeping the "as built" interior coverage with any new policy. Switching carriers could increase annual premium from \$60,000 to as high as \$100,000.

Broker emphasized that most companies are not writing new business for HOA's that:

- were built before 2010
- with values over \$10 million      [MRHOA is \$20 million]
- with roofs over 10 years old      [TH roofs now 10-15 yrs old]

☒ The Reserve Study received in October 2024 had a 6 month window for the HOA Board to formally request revisions to the study. With uncertainty on some components still up in the air, the Board took up a suggestion by Jon H to request an extension. Liz F will contact the company and see what might be possible.

☒ Reconstruction of the split in reserves between 1/65<sup>th</sup> and 1/50<sup>th</sup>, receipts and expenditures, is almost complete. Completion of this work is second step towards providing homeowners with a better picture of where their dues dollars were directed and how reserve balances ought to be apportioned.

■ **Business Continued to Next Meeting:**

- ⊗ Essential tree pruning was completed. Next on agenda is planning for restoration of landscaping and rock areas where trees or shrubs were removed last summer.
- ⊗ Board discussed how new reserve study and CPA review emphasized the importance of separating HOA funds into certain categories for better planning and budgeting results:
  - 1) Routine and preventative repair and maintenance performed annually, bi-annually, or sometimes tri-annually (e.g., asphalt sealcoating). Plus contingency funds to cover snow removal from roofs, excessive water usage, or some other unforeseeable cash demand.
  - 2) Discretionary spending, paid with surplus cash on hand, for larger summer projects that don't fall under the above category. These could include funds spent on trees, general landscaping, sidewalks, driveways, and moderate irrigation repairs or replacements.
  - 3) Long-term reserve funds set aside for replacement of specific components, e.g., major irrigation system repairs or replacement; twinhome vinyl siding replacement; new asphalt roofing for twinhomes.

Every year will involve applying some method of expenditure triage to decide the most effective use of chronically insufficient funds.

2025 discretionary spending will be addressed again at May 7<sup>th</sup> meeting.

■ **New Business:**

- ⊗ Due to deaths and other life altering circumstances, the Board acknowledged the possibility that several units, including twinhome and single family, may be put up for sale in 2025. Information on HOA resale disclosure forms is being added to website as it is completed.
- ⊗ History of twinhome driveway work is being assembled so Board can develop plan for future driveway or apron repairs or replacements. Some TH driveways have never been repaired or replaced. A walk around will be taken to assess condition of twinhome driveways and sidewalks.
- ⊗ Upcoming summer groundskeeping concerns will be discussed at next meeting.

■ **Annual Meeting:** Board agreed on following arrangements

Date: Sunday, May 18 Time: 6:30 pm Location: Delano Senior Center

Election of Officers: by-mail ballots have proven to be the most effective way to meet quorum  
by-mail ballots at later date adaptable to timing change of annual meeting  
by-mail ballots at later date open up window to recruit candidates