

## **MINUTES: MRHOA All-Member Annual Meeting May 18, 2025**

Sunday 6:30 pm Delano Senior Center

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- Board Members Present were Jon H, Bruce L, Zelda M, John B, and Liz F.  
Minimum quorum of 44 was not achieved – 40 units were represented: 36 in person and 4 by proxy.

Every attendee received a two-sheet handout: 1) meeting agenda; 2) 2025 Estimated Summer Budget; 3) Dues Allocation for years 2023 and 2024; 4) summarized 23-year History of Reserves.

[The Dues Allocation and 23-year History were also attached to a group email on May 17.]

- Meeting was called to order by Jon Holzer, Board President.
- The 2024 Annual Report and financial statements were mailed to all units in late April. Asked how many units are in arrears, the Board noted just one unit. Asked about interest rates on the Ameriprise investments, the Board advised the Flex Certificates recently were in the 3.7% range; also, the U S Treasury T-bills recently were in the 4.3% range.
- CPA Reviews: Both 2023 and 2024 reviews were completed with Accountant's Conclusion that no "material modifications" were needed in order for the financial statements "to be in accordance with accounting principles generally accepted." Although a reserve study is not a required part of the basic financial statements, it was noted that this missing information is considered an essential part of financial reporting for a homeowner's association. MRHOA did not have a reserve study in 2023. The 2024 study was not completed until October 2024 and is still under review by the Board.

Discussion ensued on frequency of future reviews. General opinion was that a professional review should be conducted more often, perhaps at minimum every other year.

- Owners were apprised of current conditions in HOA property insurance in the Minnesota market. Of the few carriers still covering HOAs in the State, many are not accepting new business where the association is either too old (over 10 years) or has too high a total property valuation (over 10 million). MRHOA exceeds both those limits. MRHOA will not know what Hartford will do until closer to the premium renewal date (October 1).
- Owners were apprised of pending State legislation affecting governance of HOAs. One positive for MRHOA is if they approve expansion of HIA loans (Home Improvement Area) that are obtained through municipalities and set up with a repayment plan similar to paying property taxes.
- The Reserve Study and the 23 Year Reserve Funds History were discussed at length – in particular the irrigation system and twinhome roofs and driveways. The Spreadsheet Tool provided with the study projects ideal reserve contributions and balances out for 30 years. However, the tool can also be modified by the Board to set up projection plans more representative of actual MRHOA conditions, both physical and financial. The 23-year reserve fund history will help define those modifications.

Briefly covered was a change in MN law effective Jan 1 2012 – from somewhat vague instructions on reserve funds (MN 515B.3-114) – to very explicit instructions on the accumulation and use of reserve funds. (MN 515B.3-1141) 1. Once transferred, reserve funds cannot be used to cover operating expenses. 2. Reserve funds are for obligated replacement of certain designated components.

- Twinhome roofs (all 50) were replaced between 2010-2015, making them 10-15 years old. For insurance purposes, newer roofs (under 10 years old) are more likely to be covered for full replacement cost, exposing all the Twinhome roofs to insurance coverage risk.

Minnesota is planning to launch a grant program for owners who replace their roofs with new shingles that meet fortified standards for resistance to high wind, hail, and other extreme weather events; and can reduce damage by 60%. In addition to a possible \$10,000 grant per unit, installation of the new roofing would also include eligibility for a property insurance premium discount. [Reminder: wind and hail claims are subject to the 5% of building value deductible.]

- An historical look at twinhome driveways shows that 19 units have had full replacements, 14 units have only received apron replacements, and 17 units have not had any major work since 2014, if any major work at all. (Available records prior to 2014 show dollars paid out but not work done.)

A walk-around survey will be taken on all twinhome driveways and sidewalks. [Height of step from sidewalk to stoop will be measured for safety code adherence. Tripping hazards will also be noted.]

- A tentative projection of dollars available for 2025 summer work was printed on reverse of the agenda and based on estimates through September 30<sup>th</sup> (any estimates after Sept 30 will be affected by the new property insurance premium and summer water costs).

After a planned expense of \$4,985 for bi-annual inoculation of 40 ash trees for ash borer, the potential cash available is around \$47,563. This amount will have to cover: i) above average water usage; ii) irrigation repairs and maintenance; iii) twinhome repairs and maintenance; iv) twinhome summer landscape projects; v) any other discretionary spending that may arise.

- One handout illustrated the 2023 and 2024 allocation of dues as divided between single family and twinhome shared expenses (1/65<sup>th</sup>) and twinhome only expenses (1/50<sup>th</sup>). Together with the reserve fund history, this segregation of both revenue and expenditures is purposefully intended to provide owners with the most exact picture of how the association's funds are being used. They also serve as forecasting tools to better predict future assessments – both annual and special – as needed.
- Groundskeeping and Repairs and Maintenance were discussed.

**Irrigation System:** the spring startup went well - no major repairs are necessary. Jenco has been notified of some zone timing issues that need correction.

**Mailboxes and Stands:** Chipping paint on both boxes and stands was reported and will be included on a summer Rep & Maint list.

**Dryer Vents:** Homeowners are responsible for dryer duct cleaning from the rear of the dryer to the exterior vent.

#### **Groundskeeping Issues:**

- A list of complaints, concerns, and issues is being collected for discussion with Jenco. These include but aren't limited to: mowing height, lawn repair and restoration; continued clean-up of roughage areas to unblock sprinkler heads; removal of dead shrubs; rehab of rock areas that have sunk around stoops and sidewalks.
- Units that have had, or will have, overgrown or dead shrubs removed will be contacted individually about restoration options.

#### **Repair & Maintenance Issues:**

- Owners were encouraged to continue submitting maintenance request forms (MRF).  
[Note: Emails and paper forms are logged into a system. Phone calls and text messages cannot be guaranteed to get logged. Text messages appear on a board members personal device and are not easily converted to a more permanent association record.]
- All association vendors need to be licensed and insured. Names and contact info of owner recommended handyman or groundskeeping contractors is much appreciated.

- The HOA is not responsible for washing twinhome vinyl siding and a tight budget does not leave room to do it as a courtesy to owners because it would mean all 50 units.

■ Ballot Proposal and Election of Directors

- Four Board seats are up for election in 2025.
- A by-mail ballot is planned for later in 2025.
- No volunteers have come forward to relieve current Directors.

As noted during the meeting, even if the association has to turn to a management service in future years, a 5-person Board of Directors will always be a mandatory requirement.

■ Meeting was adjourned.

■ Next Board meeting tentatively set for Wednesday, June 11 at 577 Marsh Dr.