

**The Marsh Ridge HOA Board met Monday, September 11, 2023 at 6:30 pm at 577 Marsh Dr.** Board members Zelda M, John B, and Liz F were present, Jon H was absent. Also attending was Bruce L as an interested candidate for a position on the Board.

This special board meeting was called to review final preparations and topics for the September 17<sup>th</sup> annual meeting.

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The primary topic discussed was Hartford's property insurance coverage for twinhomes, going into effect for the policy year beginning October 1, 2023.

The July 19<sup>th</sup> original notice for premium change indicated an increase to \$54,593 per year – a 91% increase. The final premium change came to \$48,513 per year – a 70% increase over the prior year.

Hartford increased the Wind/Hail peril-specific deductible from 2% to 5% of "building" insured value (this increase was later confirmed to be mandatory, not optional). The association insures 25 twinhome buildings. The buildings range in value from \$496,200 to \$886,400 – placing the individual building deductibles in a range from \$24,810 to \$44,320.

Discussion ensued on the effect the following will have on unit owners and their HO6 policy coverage for loss assessment:

- the wind/hail 5% deductible per "building" – not per unit
- the 10% increase in replacement value of insured buildings
- the standard \$10,000 per occurrence deductible

Consensus was that owners should be notified of their individual potential out-of-pocket risk.

Liz F will continue contact with Marsh McClennan to get clarification on some coverage questions, including the apportionment of the wind/hail deductible between the two owners of a single building, and replacement value variables under the "as built" interior coverage.

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The second topic discussed was the overall effect the premium increase had on the Association's finances as a whole and restrictions it will most likely put on expenditures for other services.

The Jenco contract is up for renewal. When the 2023 budget was being planned, Jenco indicated the contract renewal would be in ballpark of +5% per month. A comment was made that, in this economic climate of high gas prices, labor shortages, and material cost increases, +5% might be overly optimistic.

The top four operations recurring monthly expenses are: 1) Jenco contract, 2) DMU water and electric, 3) Hartford property insurance premium, 4) Republic trash collection.

Pressure on cash availability will mostly have a negative effect on the remaining variable operations expenses and cash transfers to the reserve accounts.

It will be up to the Board to clearly explain to the membership all the factors affecting the Association's current financial position and projected 2024 financial position.