

The Marsh Ridge HOA Board met Wednesday, November 15, 2023 at 6:30 pm at 577 Marsh Dr. Board members Jon H, John B, Zelda M and Liz F were present. Lloyd G, pending board candidate, was also in attendance.

ELECTION

Prior to opening the meeting, the by-mail ballots for 2024 Director seats were opened, sorted, and tallied. Fifty-eight (58) ballots were returned.

Results: SF - Jon Holzer 48 votes Zelda Malo 46 votes
TH - Bruce M Larson 50 votes John Beltrand 46 votes Lloyd Griep 15 votes

The meeting was then opened, and the Board voted (4-0) to accept the election results. After some discussion, it was decided Officer roles will be determined at the January board meeting when all electees are present.

The Board then addressed concerns expressed by some owners on whether or not Liz F should have been on the ballot. After discussing HOA past events back to 2004 regarding staggered terms, annual voting for Directors, and by-law changes in 2005, it was decided there was sufficient rationale for more than one interpretation on this question.

Insofar as all the governing documents are in need of review and updating, the Board voted (4-0) to extend Liz F's term one more year subject to reevaluation of the by-laws on this topic during 2024.

FINANCIAL STATUS

- 4th Quarter 2023 - Projected 4th quarter 2023 income statement was reviewed with Board attention focused on the likely 2023 year end cash position; and then extended evaluation to a tentative 2024 budget and projected 2024 1st and 2nd quarter cash flow. If quarterly deposits to reserves are to be resumed in 2024, in order to meet 2024 cash flow needs no deposit will be made to reserves in 4th quarter 2023.
- 2024 Budget & Dues Increase – A 6 month, 2024 Q1 & Q2, projected budget and cash flow, calculated with a \$30/month increase to TH dues and \$4/month increase to SF dues, was discussed prior to a Board vote on both increases.
- Dues Vote and Notice Mailing – Insofar as notice of increase needed to be promptly mailed, the Board then discussed materials to be included in mailing and voted (4-0) to approve the increases effective January 1st, 2024 with notice and inserts mailed to arrive no later than 11/30/2023.
- Income Tax - Liz F and Zelda M met with local CPA who reviewed 2022 MRHOA tax return (and prior) for correctness. (Review was done free of charge as a courtesy.) Starting with tax year ending 12/31/2023 an estimated combined IRS & MN tax liability of \$3,500 on approx. \$9,000 2023 interest earned on Reserves will be due with tax return by April 15, 2024.

CPA also verified that income tax is considered an operations expense and cannot be paid with reserve funds.

- Ameriprise - One Flex Certificate (\$11,933) up for renewal on Nov 16th. Based on Federal Reserve indications, the Board opted to let certificate rollover for 6 months at 5.18%.
- Accounts Receivable – Board reviewed outstanding dues. Current: 68.5%
Over 30 days: 12.8% Over 60 days: 18.7% Overdue accounts will be contacted.
- Audit/Review – Inquiries were sent to four CPA firms for cost of audit or review of association financial records. Two declined and one did not respond. One Minneapolis firm that specializes in HOAs returned some bid options that the Board found worth considering and will discuss further at the January meeting:
 - A one year only Audit + Tax Prep: \$1,590
 - A one year only Review + Tax Prep: \$1,290
 - A two-year Audit + Tax Prep: \$1,490 / yr
 - A two-year Review + Tax Prep: \$1,190 / yr

MISC

- Handyman – Board reviewed and approved (4-0) reimbursement of \$159.00 to homeowner who hired handyman to fix siding under window that was judged to be more a necessary fix, and less a cosmetic repair. Prior to spring, the Board can evaluate combining multiple unit siding repairs to be bid as a single project.
- Handyman – Jerde advised Jon H he had purchased heat tape for certain roofs with higher risk for ice dam damage and wanted to know if he should proceed with installation. Jon H will get a bid from Jerde on cost to install.
- Governing Documents Update – Hellmuth & Johnson responded to an email request for budget estimate to update Declaration, Bylaws, and Articles of Incorporation. A complete rewrite could be as high as \$8,000-\$10,000. However, the first step would run about \$1,500-\$2,000 for the Association and law firm to determine just how much rewrite would be appropriate and in both the Association's and the Owners' best interest.
- Reserve Study Bids – No formal inquiries for bids were initiated pending decision on updating the governing documents (primarily the Declaration), however Jon H was able to provide some insight into cost via his company's experience. A reserve study for a smaller association with less replacement obligation recently cost \$2,900. A study for a larger association with more replacement obligation might cost \$3,000-\$4,000 – a figure less daunting than originally thought. Research into contracting for a reserve study will be ongoing in 2024.
- Annual Secy of State Filing – filing was completed online for 2024.

Next Board Meeting: Wednesday, January 17, 2024 - 6:30 pm - at 577 Marsh Dr