

Woodlands of Livonia Homeowners Association Minutes of Board of Directors Meeting 11.05.13

Location: Arlis Olson Residence
Convened: 4:15 p.m.
Adjourned: 5:30 p.m.

Present: Joel Rademacher (President), Eric Lindell (Vice President), Paul Erickson (Director), Arlis Olson (Secretary/Treasurer)

Notes: Agenda Items appear in large boldface type. Information, Discussion and Decisions sections appear in bold. Abbreviations are as follows: HOA- Homeowners Association, HO- Homeowner, BME-Board Member Erickson, BML- Board Member Lindell, BMR-Board Member Rademacher and TO- Treasurer Olson.

Review of Minutes

Decision

- Motion by BME to approve minutes of the 10-14-13 Board meeting; second BML, carried unanimously.

Treasurers Report

Information

- TO gave a brief review of HOA expenses for January-October vs. budget; the status of checking and money market accounts and projections for cash flow through December.
- TO reported that there were no aged receivables – all HOA dues accounts are current.
- TO reported that there are also no aged payables at this time; however the payment to IDI Bobcat in the amount of \$1,267.00 for December snow plowing services is due by December 1st and TO will be out-of-town when it is due. TO requested Board approval of the payment so it can be issued prior to its due date.

Decision

- Motion by BML to approve payment to IDI Bobcat - \$1,267.00 for December snow plowing services; second by BME, carried unanimously.

2014 Annual HOA Budget

Information

- TO presented a 2014 budget of \$119,325 for review and discussion. This budget is an 8.96% increase from the 2013 budget. It follows the format of previous budgets, is based upon 2013 line item anticipated costs adjusted for 2014, includes the revisions discussed at the last Board meeting and now includes a carry-over item from the 2013 budget that does not look like it will be accomplished in 2013.

Discussion

- Board members reviewed the budget by line item and while they were comfortable that the budget adequately addressed the anticipated needs for the HOA, the budget amount (excluding the trail reserve contribution) exceeds the anticipated 2014 income by over \$18,000. TO indicated he anticipates the 2013 year end cash position should be approximately \$30,200 which would cover the shortfall between the 2014 projected income vs. budget and still leave a limited “cushion” for unanticipated expenses. In addition, historically, actual expenses have come in under budget. Board members felt that based upon the projected year-end financial condition and historical actual expenses vs. budget comparison, they could adopt the 2014 budget as presented

Decision

- Motion by BML to adopt the 2014 HOA Budget in the amount of \$119,325; second by BMR, carried unanimously.

2014 HOA Dues Increase Analysis

Information

- TO presented an analysis he prepared concerning whether a HOA dues increase would be required in 2014. It had been updated from the analysis reviewed at the last Board meeting to include the budget revisions discussed in the previous agenda item and also included the most recent income/expense projections. He reaffirmed his previous conclusion that barring any unanticipated large expenditures, a dues increase for 2014 would not be necessary. He did caution though that the positive cash position that currently exists is diminishing and at some point a dues increase will be required. TO also reported that our auditor has indicated there are some recent MN Statutes pertaining to HOA reserves that need to be researched and could likely have an impact on the level of dues collected and the likelihood that separate reserve accounts will have to be set up.

Discussion/Decision

- Board members felt the major future expenditure facing the HOA is the repair/reconstruction of the trail system and, that while we are developing a Trail Repair/Reconstruction Fund; the current balance will likely not come close to addressing the funding needs. There was considerable discussion concerning whether it would be appropriate to begin a phased dues increase program now in order to maintain our current positive cash position and be able to grow the reserve fund. There was concern that, at this time, we do not have any real idea what the future costs may be for the trail repair/reconstruction and that a dues increase now without a definite defined need would not be appropriate. Therefore, the Board collectively agreed that a dues increase for 2014 would not be implemented. It was determined that in the upcoming weeks attempts will be made to obtain a trail repair/reconstruction phasing plan and associated costs that can be presented at the annual meeting in March along with the discussion of the potential of a phased dues increase schedule, a one-time substantial dues increase or a special assessment. It is also expected that further information will be available on the potential impact of the recent MN Statutes on our dues.

2014 Services Bids

Information

- TO reported that following the last Board meeting, he had contacted another irrigation firm and has provided them with the bid request information for 2014 services. The current vendor will be sent the bid information shortly. He also has contacted the current vendor for the gardening services and they are interested in continuing their services for 2014, therefore a bid package will be provided to them. Any bids received will be reviewed at a future Board meeting.

Discussion/Decision

- Board members discussed holding a season ending review meeting with the 2013 Lawn Care & Gardening services vendors to evaluate their services and discuss any issues of concern and/or improvements that could be made in future services.

2014 Annual Meeting

Information

- TO reported that the lower level meeting room at the American Legion in Zimmerman has been reserved for March 27, 2013 for the HOA annual meeting. He also indicated that the director term for Joel Rademacher expires in March 2014 and an election to fill that position must be held. A notice to HOA members of the expiring director position will be included with the 2014 1st Quarter invoices with instructions on who to contact if anyone is interested in running for the position.

Discussion

- Board members noted the meeting date in their schedules.

Email Motions

- Motion by BML on 11-11-13 to approve payment to Laurie Grasso - \$1,200.00 for the fall spirea pruning services; second by BMR, carried unanimously.
- Motion by BMR on 11-12-13 to approve payment to Melanie Scharpf/Verde Plus Lawn Care - \$1,862.30 for the installation of the seasonal lighting. The agreement provides for 85% payment upon installation of the lighting and the remainder when the lights are removed; second by BML, carried unanimously.
- Motion by BMR on 11-28-13 to approve payment to Brian Humphrey Construction - \$1,053.50 for mailbox assembly painting, repairs and materials; second by BME, carried unanimously.
- Motion by BME on 11-28-13 to approve payment to Wolff Haven Landscapes - \$1,900.00 for repair/replacement of rip-rap at the Pavilion; second by BMR, carried unanimously.
- Motion by BME on 12-25-13 to approve payments to IDI Bobcat - \$1,267.00 for January 2014 snow plowing services and Arlis Olson - \$682.93 (\$625.00 for 4th Quarter treasurer services, \$36.53 for materials for a winter storage stand for HOA fountains, \$10.10 for printing the notice to HOA members included with the 1st Quarter 2014 dues invoices, \$8.03 for file folders for HOA annual records and \$3.27 for Private Property/No Snowmobiling signs for HOA property); second by BMR, carried unanimously.

- Motion by BMR on 01-16-14 to approve payment to IDI Bobcat - \$1,267.00 for February 2014 snow plowing services; second by BME, carried unanimously.

Meeting Adjourned at 5:30 p.m. 11-05-13

Minutes prepared by Arlis Olson, approved on January 20, 2014 by:

Joel Rademacher
Eric Lindell
Paul Erickson