

WOL HOA Annual Meeting – March 27, 2014
American Legion – Zimmerman
7:00pm

1. Twenty-three individuals, representing 17 households attended the annual meeting.
2. The Board posted the documents related to the annual meeting on the HOA website and asked homeowners to bring copies to the meeting rather than have the association incur the printing and mailing costs. If you missed the meeting, these documents are still available on the website.
3. Board President Joel Rademacher called the meeting to order at 7:05pm, introduced himself (other Board Members unable to attend due to scheduling conflicts) and the HOA Secretary/Treasurer Olson. Homeowners in attendance introduced themselves.
4. Board President Rademacher advised those in attendance that no one had come forward to place their name on the ballot for the open Director position and asked if anyone in attendance was interested in doing so. A brief description of the Director duties and time commitment was given in response to a concern by one resident he had not lived in the community long enough and that he would not have adequate time to do the position justice. He would be more comfortable waiting another year. No one else came forward at that time.
 - a) Subsequent to the adjournment of the meeting, Douglas Charron discussed the matter further with President Rademacher and indicated he would place his name on the ballot.
 - b) In the days following the meeting, Jim Hall decided that he also would place his name on the ballot.
 - c) After the decision by Jim Hall, Douglas Charron indicated he was only coming forward since no one else had and he then withdrew his name from consideration.
5. Treasurer Olson presented the Treasurer's Report on 2013 activity, giving a brief recap of annual expenses, comparison of expenses to budget, status of the checking & money market accounts and trail repair fund reserve. He indicated 2013 activity ended approximately \$15,085 under budget, one of the largest under budget years in history. He noted that the year-end checking balance was \$35,910.65 and money market was \$77,288.29 which included the trail reserve fund of \$59,200. He also reported that the audit firm of Johnson Bruns & Company had completed their audit of the 2013 records and their report concluded that the HOA financial statements are in conformity with generally accepted accounting principles. The audit report was available for review at the meeting and can also be reviewed by contacting Treasurer Olson. Two questions were raised concerning the Trail Reserve Fund and one on mailbox assembly painting:
 - a) Is the fund to cover the total replacement of the trail system? Ultimately the fund may cover the replacement of the whole trail system, but the existing balance is not adequate at this time. The existing fund balance will cover any shorter term maintenance, such as area replacements or crack sealing. This issue will be discussed further later in the meeting
 - b) How long has it taken for the fund to reach its current level? The fund has been in existence since 2007. The 2007 budget amount was \$10,000 and subsequent years have been \$5,000. Depending on year-end cash situations, several additional contributions to the fund have been made.
 - c) How long has it been since the mailbox assemblies have been painted? We have a contractor that annually reviews the condition of HOA mailbox assemblies and repairs, repaints, replaces posts, etc. on an as needed basis. Following the initial start-up review with an HOA representative, he has basically conducted on his own inspections and accomplished the necessary work. Approximately 20 assemblies were completed in 2013. If you feel your assembly is in need of work, contact a Director or Secretary/Treasurer Olson and they will arrange for an inspection by the contractor.

6. President Rademacher presented a recap of the projects accomplished in 2013:
 - a) Common area mulching—approximately \$1,000
 - b) Stony Bridge deck replacement—approximately \$1,400
 - c) Pavilion rip-rap repair--\$1,900. This work was precipitated by vandalism over the years where the existing rip-rap was thrown or rolled down into the surrounding pond resulting in erosion around the Pavilion. The area has been restored now and it is important for parents to advise their children that a repeat of the vandalism will only result in additional costs for the HOA.
 - d) Irrigation systems & 5th Addition fountain/electrical repairs—approximately \$1,500

7. Treasurer Olson presented an overview of the 2014 budget in the amount of \$119,325 previously adopted by the Board noting that approximately 80% of the total budget focusses on vital elements necessary for HOA operations. He stated the development is aging and included in the remaining 20% of the budget there is \$12,500 for items included due to age/need of repair---he also pointed out that the budget increase for 2014 is approximately \$10,000, therefore a little more than the total increase is attributed to these replacement/repair items. He indicated that the Trail Reserve Fund should increase to \$64,200 by year end, unless there are trail related costs that are incurred during the year. He indicated this budget exceeds anticipated annual income by approximately \$23,000 which is not necessarily a good position to be in and is not sustainable for any extended period of time. Due to a positive cash position at the end of 2013, the Board elected not to pursue a dues increase for 2014, however, one may be necessary in 2015. As the year unfolds and actual costs are incurred, a dues increase will be reevaluated and information communicated to HOA members. The last dues increase was in 2007. A dues increase can only be implemented at the beginning of a year and a minimum 30 day notice must be provided. The further possibility of an increase will be discussed in the following agenda item dealing with recent MN Statute revisions pertaining to HOA operations.

8. Treasurer Olson reported that our auditor indicated in 2013 the MN Legislature revised certain Statutes pertaining to HOA operations and provided a "Top 10 Annual Checklist for Homeowners' Associations". Treasurer Olson indicated that for the majority of the items on the checklist, our association is in compliance, however there are certain items i.e. providing a more comprehensive Annual Report that will have to be addressed. The most significant item though that can impact the dues amount is the requirement that the association shall include in its annual budgets replacement reserves projected by the board to be adequate to fund replacement of those components of the common interest community which the association is obligated to replace by reason of ordinary wear and tear or obsolescence. Basically we understand this to mean the Board will have to conduct a study of the major HOA components that will need repair/replacement, develop a phased implementation plan with estimated costs and then set dues necessary to meet the anticipated repair/replacement costs that will be set-aside for those needs. These funds will be in addition to the normal operating budget funds. We already are doing that in effect with our Trail Reserve Fund, but we now have to be more formal with the process and evaluate if there are any other components that should be included in the process. This will require much more research and discussion by the Board and any dues impacts will be communicated to HOA members as necessary.

9. Board President Rademacher reviewed the potential 2014 projects included in the budget:
 - a) Trail Repairs--\$5,000. In 2007 & 2008 there were area replacements and crack sealing done on the trails. Some of the crack seals still appear to be in good shape, however others are failing and some new cracks have appeared. One of the most important maintenance items to be done on asphalt paving is to keep the cracks sealed thus preventing moisture from getting into the subgrade. The trails will be reviewed for appropriate repairs and quotes obtained.

- b) 5th Addition Pond & Bridge walls--\$3,500 for bridge walls only. Maintaining a proper level of water in the pond is a continuing problem. Repairs to the pond liner were accomplished a few years ago (volunteers headed by resident Jim Hall) that helped but it appears further work is necessary. Jim Hall was in attendance at the meeting and volunteered again to try to repair the liner. Resident Ken Grasso offered to lend assistance. The bridge walls are in very poor condition and a plan to remove the existing walls, stabilize the soils and construct an approximate 4-foot high aluminum fence (black color) on both sides of the trail is being finalized. Depending on the final selection of fence materials and the possibility of integrating some sort of pillars vs. all aluminum posts, may result in the total project costs exceeding the budget somewhat.
- c) Pavilion reroofing--\$2,500. The shingles on one side of the Pavilion roof are curled/cracking and need to be replaced. A preliminary quote for the total roof replacement was the basis for the budget amount. A question was raised if the deterioration was the result of hail damage and followed up by another whether insurance could cover the costs. Treasurer Olson indicated the last major hail storm was in 2007 or 2008 and the HOA did file a claim for damage to certain facilities—at that time the Pavilion was inspected by the claims adjuster and was not determined to be damaged. In addition, our policy has a \$1,000 deductible and with the current climate in the insurance industry (major claims throughout the country and premium increases) he would be reluctant to attempt to pursue a claim at this time, even if it were possible at this late date. Another comment was made about the cost being excessive—the quote came from the contractor that currently does our mailbox repairs and did the bridge deck replacement—he is a local contractor, does excellent work and has always been very complete, but other quotes can be obtained. There may be an opportunity to get the materials through a residents contact and have the contractor provide the labor—this will be pursued.
- d) Security Cameras--\$1,500. This item was budgeted to generate discussion on the subject and to determine if it is something that should be pursued. There was some interest/support in the project expressed by residents in attendance; however, the overriding concern was what actually would be accomplished/realized by installing the cameras. The two locations identified are the only entrances with a structure where monitoring equipment could be installed (would the equipment function in cold weather?) and other entrances to the development would not be covered. Even if the cameras were installed, they would only monitor traffic entering or leaving that location and not actually monitor any vandalism, etc. No real consensus was reached and the matter will be discussed further by the Board.
- e) New HOA Computer & Software--\$1,500. This item was budgeted as the existing HOA computer & software was purchased in 2002 and, in computer age, is ancient. The equipment is still functioning; however, it may be prudent to consider its replacement. A resident questioned if the data is being backed up—it is but only periodically on compact discs. It was suggested that any new system include a separate automatic hard drive backup component.

10. President Rademacher indicated that volunteers will be needed for two upcoming functions:
- a) Clean-up day—once spring actually arrives it is expected a clean-up day will be organized and focus on either applying new mulch or treating existing mulch, along with cleaning up the brush & other trimmings left adjacent to the trail system as a result of the last major snow storm. Once the date and work scope is established, an email will be sent out requesting volunteers.
 - b) HOA picnic committee—the picnic last fall was well attended and provided an opportunity for residents to get-to-know each other. The Board felt another picnic should be held this year and volunteers were requested to start the organizational process--- Amber VanDuesen, Cindy Jacobson & Robin Carlson volunteered.

11. Treasurer Olson indicated that email contact information would be appreciated for all HOA residents such that material from the Board or our Neighborhood Watch coordinator can be easily distributed. At this point, we only have about 80% coverage. He also indicated it would be quite helpful if a member's email address changes that the change be communicated to him
12. The meeting was opened for general questions or comments:
 - a) An inquiry was made concerning the plans for maintaining the mailbox assembly toppers. President Rademacher stated the Board has been trying to find a source for the unique components for some time without success. They intend to keep pursuing the matter and will explore alternative methods for replacement of the toppers. The current Board is in favor of maintaining the existing mailbox assemblies and street signs.
 - b) A resident mentioned that at one time there was some discussion about having a sticker or some identifying logo that could be displayed on residents vehicles so non-resident vehicles could be easily recognized and monitored for any suspicious activity.
 - c) A question was raised regarding the street & security lights and if the fixtures could be upgraded to be more energy efficient. Ken Grasso & Jeff Watkins explored that matter with Connexus following the last annual meeting and concluded that there was not much to be gained. However, there are always improvements being made in technology and another inquiry can be made. He will provide the contact information to Treasurer Olson.
 - d) Treasurer Olson indicated a hand-out titled "Protecting Property Values—What the Woodlands of Livonia HOA is All About" was on each table and encouraged those in attendance to take it with them. It was patterned after a similar document another WOL resident received from their winter residence HOA. It speaks to the advantages of an HOA and the commitment necessary from every resident to ensure a strong & viable HOA exists. The document will likely be distributed by email to our HOA members and also posted on the HOA website.

The meeting adjourned at 8:25 p.m.

Minutes prepared by Arlis Olson, approved on April 26, 2014 by:

Joel Rademacher
Eric Lindell
Paul Erickson