

WOL HOA Annual Meeting – March 22, 2016
American Legion – Zimmerman
7:00pm

1. Twenty-two individuals, representing 15 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 Paul Erickson called the meeting to order at 7:00pm. He indicated to those in attendance that if they had not turned in their ballots for the Director position election to do so now as the opening and counting of the ballots was about to commence. HOA Officers introduced themselves and then President Erickson asked resident Grover Mullin to introduce the guest speaker, Gina Hugo, a Resource Conservationist with the Sherburne Soil & Water Conservation District and one of her services is to conduct Forestry Protection Site visits.
4. Gina had previously visited Grover's residence to discuss concerns Grover had regarding several of the pine trees on his lot. Gina completed a site survey that did identify a disease that is common in pine trees that are growing in close proximity to each other. Her research into the Woodlands development area lead her to believe that in certain portions of our development pine trees were planted at very close spacing to control erosion. Close spacing of pines is not sustainable, pure stands require thinning periodically to ensure that remaining trees have enough soil moisture to grow with vigor and be resilient to insect and disease problems. Thinning apparently never happened and as a result, the trees are now afflicted with disease and insect pests. Without management they will continue to decline. Gina also discussed the management of oak wilt (the necessity of early detection and implementing appropriate action), invasive species, such as buckthorn, effects of climate change on tree species and different types of trees that can be planted and expected to thrive in our area. An economical method to introduce different species of trees in to the development would be for homeowners to plant 2 or 3 bare root trees (the 6-7' trees available at local nurseries in the early spring) each year that will ultimately develop into a more diverse forestry. She commented that we have a wonderful asset in the Woodlands and we need to be proactive in order to preserve our wonderful area. While she is certainly available as a resource for our development, she suggested that we may want to consider retaining a forestry consultant to survey the whole development and prepare a plan to address any immediate issues, prioritize management and create a long-term strategy to ensure the continuation of "woods" in the Woodlands. Gina is available for individual consultation at 763-241-1170, ext. 101.
5. Treasurer Fildes presented the Annual Report now required by MN Statutes. The report and all attachments had previously been posted for review on the HOA website. He reviewed several minimum requirements of the report as follows:
 - a) A 2016 Budget in the amount of \$120,665, an approximate 8.25% decrease from the \$131,515 2015 Budget was approved by the Board and is Attachment A to the report. He indicated that that certain line items were consolidated for ease in tracking costs; a Facilities Reserve Fund contribution was added to provide funding for future repairs/replacements and a line item for the potential replacement of one of the pond fountains was also added. The primary reason for the budget decrease is that the 2015 budget included significant repairs on the trail system and the 2016 budget does not.

- b) A statement of the association's total replacement reserves, the components of the common interest community for which the reserves are set aside, and the amount of the reserves, if any, that the board has allocated for the replacement of each of those components. He indicated that there are two replacement reserves that exist at this time -- a Trail Reserve Fund which, as of January 31, 2016 contained \$55,585 and a Facilities Reserve Fund which, as of January 31, 2016, contained \$11,000. The 2016 Budget provides for a \$10,000 contribution to the Trail Fund and a \$4,000 contribution to the Facilities Fund.
- c) A copy of the statement of revenues and expenses for the association's last fiscal year, and a balance sheet as of the end of said fiscal year.
- i. A copy of the 2015 Actual Expenses is Attachment B to the report and reflects total expenditures of \$105,291.49. When the 2015 Trail Fund contribution of \$10,000 is added, the total "expenses" equals \$115,291.49. When that is compared to the 2015 budget of \$131,515, we ended the year approximately \$16,220 under budget.
 - ii. A copy of the 2015 Checking Account, etc. is Attachment C to the report. This provides a detailed accounting of the HOA Checking and Money Market accounts and reflects the transfers of monies between the individual accounts. The checking section reflects the January beginning balance of \$38,577.40, includes monthly deposits and expenses (ties to 2015 actual expenses statement) and culminates each month with a monthly balance. Where appropriate, transfers to / from the money market account are also shown. The checking account December ending balance was \$50,000.14.
 - iii. The money market section follows a similar format as the checking. The money market account January beginning balance was \$82,402.35. Monthly interest is shown along with any expenses or transfers to / from the account. The Money Market account December ending balance was \$71,406.61; however, that balance includes the Trail Repair & Facilities Reserve Funds. The balance for the Trail Reserve at the end of December 2015 was \$53,085 and the Facilities Reserve was \$10,000. The difference between the reserves and the total money market monthly balance is the monies available for other ongoing HOA expenses; which at the end of December was \$8,321.61. That balance, plus the checking year-end balance equals \$58,321.75 available for ongoing HOA expenses.
 - iv. The CD section simply reflects any CDs that may be in existence; there were none in 2015.
 - v. A copy of the Balance Sheet as of December 31, 2015 is Attachment D to the report. This is generated by the HOA's financial software. He noted that in the Assets section, the checking and money market account balances correspond with the spreadsheet information previously discussed. As for the rest of the document, it is standard balance sheet information.

- d) A statement of the status of any pending litigation or judgments to which the association is a party-----none at this time.
- e) A detailed description of the insurance coverage provided by the association including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association. A summary of the insurance carried by the association is Attachment E to the report. It identifies the MN Dishonesty B Homeowners Association Exclusion Rider and Commercial Property & Commercial General Liability coverage for the HOA. Section 515B.3-113, subsection (b) pertains to a common interest community that contains units, or structures within units, sharing or having contiguous walls, siding or roofs---not applicable to our HOA.
- f) A statement of the total past due assessments on all units, current as of not more than 60 days prior to the date of the meeting. The only outstanding amount as of March 15, 2016 was \$25.00 pertaining to one resident that had not paid a late fee assessed on their quarterly dues.
- g) Beyond the preceding required report contents, Treasurer Fildes indicated the firm that has done our annual financial records audits the last several years discontinued that service to homeowners' associations, but offered an alternative product—a compilation service. A compilation service entails recapping every transaction for deposits and expenses and allocating to the correct account, preparing bank reconciliation, and issuing a compilation report, balance sheet and income statement. Board members decided that service was an acceptable level of independent review and ordered the work be done for the HOA's 2015 financial activity. The compilation review was recently completed and a report issued. The report did not identify any irregularities in the HOA's financial activity/records. The report was available for review.
- h) Treasurer Fildes provided an update on “where we are now” -- January & February expenses were \$8,200 (rounded) exclusive of the reserve fund contributions. When the reserves of \$3,500 are included, the total January-February expense is \$11,700 compared to the budget of \$13,775 or about \$2,075 under budget. The checking account balance as of March 17, 2016 was \$56,680 and the Money Market balance was \$71,425 (both rounded). When the trail & facilities reserve funds of \$66,585 are excluded from the Money Market total, it leaves a balance of \$4,840 of Money Market funds available for other HOA expenses. Therefore, the total of Money Market and Checking funds available for ongoing expenses is \$61,520.

6. President Erickson presented a recap of the projects accomplished in 2015:

- a. Trail System Area Replacement/Crack Sealing—He indicated that a contract for \$21,115 was completed that involved total replacement of approximately 140 lineal feet of trail, routing and sealing of new cracks and resealing of all old cracks in the asphalt.
- b. Trail System Tree/Brush Removal—He indicated several resident volunteer work parties removed multiple loads of material and dead trees. This is an annual requirement to keep the trail system clear for its intended use and to facilitate snow removal & maintenance operations. He requested that residents that have a portion of

the trail contiguous to their property to be proactive and help keep the brush, etc. trimmed back.

- c. Mailbox Deer Sculpture Component—He indicated that a local vendor began production of replacement components and approximately 30 units were replaced. This will be an ongoing process over the next few years.
- d. Street Sign Painting—He indicated that Ken Grasso coordinated the efforts of two resident teenagers and all of the regulatory, street and information signs/posts were painted.
- e. 5th Addition Gazebo Painting—He indicated that residents Greg & Karen Weiers coordinated and accomplished a complete painting of the facility. Their efforts were greatly appreciated.
- f. Common Area Mulching—In conjunction with the spring clean-up day resident volunteers distributed approximately 60 CY of mulch in the common areas. A project for this year is being evaluated.

7. Board member Grasso presented a review of the upcoming 2016 projects:

- a. Covered Bridge Painting—It has been several years since the bridge was painted. A review of the facility will be made once the weather warms up and a request for volunteers will likely be made to repaint the structure.

8. Board member Grasso discussed the Street Sign/Regulatory Sign Requirement information received from Livonia Township. The Board received a letter from Livonia Township regarding MN DOT revisions to road sign requirements concerning reflectivity, size and break-away post standards. The new standards state that all regulatory signs (which include Stop, Yield, Speed Limit, Dead End/NO Outlet, and Chevron signs) must meet the break-away requirements immediately. This will entail drilling two 3" holes through the posts at specified locations. By January 2018 ALL signs must meet the size & reflectivity requirements including street signs. If the signs do not meet MN DOT regulations, liability issues could occur. Once weather conditions permit, action will be taken to bring the HOA signs into compliance with the break-away requirements.

With respect to the size & reflectivity requirements, Board member Grasso indicated one option would be to turn that responsibility over to Livonia Township. That would likely result in the standard sign posts, etc. installed throughout the Township being installed in the development. He indicated that type of signs is what exists in the 5th Addition. He asked for comments from those in attendance—there were no comments. The Board will continue to review this matter.

9. Board member Grasso mentioned that an annual WOL clean-up day is expected to be held later in the spring which will be announced by email. He indicated this effort saves the association money by not having to pay vendors for the various tasks. He encouraged residents to volunteer for the event. He also indicated that the HOA neighborhood picnic that was held last year was a big success and will likely be organized again in late summer/early fall in conjunction with the national neighborhood night out. He indicated volunteer sign-up sheets for both events were available at the table in the back of the room.
10. Board member Grasso also took the opportunity to thank Paul Erickson for his valuable time and insight over the past three years on the Board

11. A request was made of residents to provide valid email addresses for the HOA database. These are used to notify residents of a variety of issues, and could possibly be used for invoicing (if everyone provided their address).
12. President Erickson announced the results of the Board of Directors election process—Marvin Miller was elected to a three-year term.
13. The meeting was opened for general questions or comments:
 - a. An inquiry was made concerning the removal of downed trees across the trail or dead/diseased trees from resident's property. The Covenants allow dead or diseased trees to be removed without prior approval of the Architectural Committee. However, it was suggested that it would be a common courtesy to coordinate with the adjacent property owner and notify a Board member so there is no misunderstanding on what is happening. With respect to downed trees across the trail system, they have typically been removed by volunteers. If you notice a tree has come down and you have the capability and time to remove it, please do so.
 - b. The discussion of tree removal resulted in Board member Charron indicating he may have an individual that has a need for large amounts of wood for an outdoor furnace. The individual claims he would be interested in cleaning up individual wood piles and possibly removing dead trees. Board member Charron will follow-up with the individual and a notification to HOA members will be made if it pans out.
 - c. Concern was raised with the deterioration of the streets in the development--The streets are township streets and maintenance/repair is their responsibility. A resident of the Woodlands is a township supervisor and he is aware of the situation. It was suggested however that residents should contact the township office by phone or email to express concerns about the street conditions.
 - d. It was suggested that a HOA Forestry Committee could be formed to follow-up on the Gina Hugo presentation. It was also suggested that Matt Timinski would be a good candidate for the committee. The Board will discuss this at a future meeting.
 - e. A concern was raised about unattended dogs, dog droppings and continuous dog barking in the neighborhood. It was pointed out that Livonia Township has a dog ordinance and violations of the ordinance can result in a dog being picked up.
 - f. A question was raised about the annual electrical costs and would LED technology reduce the costs. The majority of the electrical costs incurred relate to flat fees for approximately 90 lighting units consistent with a 25 year agreement with Connexus initiated when the WOL 1st Addition was developed. As further "additions" were developed, the agreement incorporated the additional fixtures. The agreement states that Connexus will maintain the fixtures for 25 years from the date of installation. Connexus does have an upgrade program; however it does not currently include the type of fixture we have, therefore, the HOA would have to pay for any upgrade. The current costs for an upgrade are prohibitive.
14. Having no other issues to discuss, the meeting adjourned at 8:25 p.m.

Minutes prepared by Arlis Olson, approved on April 11, 2016 by:

Ken Grasso
Doug Charron
Marvin Miller