

West Park Hills Homeowners' Association

*Monthly Board Meeting –August 7, 2024
Community of the Cross Lutheran Church
10701 Bloomington Ferry Road*

Board Members Present:

Rod Wooten, President; Brent Regan, Vice President; Christine Hazen, Chuck Amlaw and Wayne Evavold, Members-at-Large; Carol Pavlik, Treasurer; Tim Hinz, Maintenance; Lisa Feldner, Landscape and Grounds and Carol Pelzel, Secretary.

Board Member Absent: No one.

Call to Order

The meeting was called to order at 6:00 PM by President Wooten.

Homeowners' Input

Judy Kaderlik, 10504 Decatur, expressed concern for a tree limb hanging over her gutters. Feldner explained she will be doing a walk around and that limb is on her list for review.

Approval/Amendment of Meeting Minutes

Motion was made by Pavlik, seconded by Hinz, to approve the July 2 minutes as presented. The motion carried 5-0-4 with Regan, Feldner, Amlaw and Evavold abstaining.

Directors' Reports

President – Rod Wooten

Wooten reported National Night Out was well attended. He thanked Feldner for the great job she did in organizing the event. Feldner reported a little less than \$200 was spent. Evavold questioned if there were labels on the food explaining what ingredients were in them. His concern is for people who have food allergies. Feldner responded there was a label on the bottom of the sandwich tray and Wooten said the cookies were also appropriately labeled.

Wooten explained the Association's website domain license is up for renewal. The cost for two years for the higher end of space is \$576 while the cost for the lower end of space is \$408. He pointed out we have never used the full amount of space. Wooten said he would be willing to put the cost on his credit card to be reimbursed by the Association. Motion was made by Hinz, seconded by Feldner, to renew the Association's web domain license for two years at the lower end for a cost of \$408 with Wooten placing the cost on his credit card to be reimbursed by the Association. The motion carried, 9-0.

Wooten reported the Association's Master Insurance Policy for September 1, 2024-2025 has increased approximately 16 percent or \$123,608.82. Wooten explained there is an exception to the policy. The Association's agent sent a copy of a condominium HO6 plan which addresses the issue of hail and wind damage. This damage is not part of our total plan. The agent is preparing a letter to be sent to homeowners explaining what this means and how it is covered as well as guaranteed replacement. This information will be included in the annual meeting packet mailed out. Wooten further explained the cost of that as a deductible is now going to be two percent per building cost. Homeowners will have to add this exclusion to their HO6 policy. Wooten pointed out our percentage of increase is substantially lower than others are experiencing in the metro area. Evavold questioned how the insurance company determines the price of the building. Pelzel pointed out this information has already been determined with our current master policy. Again, Wooten said this information will be mailed out with the annual meeting packet and homeowners will have to adjust their HO6 policy

accordingly. Evavold said he would like to see some defined information regarding the Association's Master Policy; something that is more descriptive. Wooten said our insurance agent is in the process of preparing a letter explaining this to be mailed out to the homeowners.

Wooten explained Feldner and Pavlik's terms are up this year. He also indicated he would like the annual meeting packets including the budget to be mailed out September 10 and the Board should plan on putting together this information at their September meeting. The annual meeting will be held on October 1.

Vice-President – Brent Regan

Regan reported he dropped off 109 pounds of food donations received at National Night Out for VEAP.

Secretary – Carol Pelzel

Nothing to report.

Treasurer – Carol Pavlik

Pavlik presented the Association's financial position explaining delinquencies are at \$9,654. The budgeted amount for water is \$15,000 and thus far only \$349 has been expended. Two CD's were renewed for 12 months, one for \$50,000 at 5.05 percent and one for \$100,000 at 4.8 percent. Evavold said they may have wanted to invest these CD's for a longer period of time because it appears the rates will be changing. It was pointed out the Board did approve these transactions at their July meeting.

Landscape and Grounds – Lisa Feldner

Feldner reported the fertilizing which was to occur on Monday was completed on Tuesday because of the rain. Feldner is still waiting for one additional bid for garage tree removal. Feldner further reported some landscaping projects have been completed and she will be walking around the property with an arborist to look at trees that need to be removed, trimmed, etc. Feldner said she will be addressing the scuffing project with Miller and will be looking at the various areas again. She indicated she is not sure whether or not the scuffing worked. Feldner has notified the homeowners on Cavell Circle that Viens will hopefully begin working on the retaining wall in that area. It could take up to a month to complete the project.

Hazen said her neighbor at 10533 asked about a schedule for the replacement of her trees and the repair of her lawn. Feldner responded that she has been communicating with her. She will be working with the arborist to determine what would be appropriate to plant in that area and this is one of the areas she will be addressing with Miller.

Property Maintenance & Grounds – Tim Hinz

Hinz reported projects are getting done slowly dependent on the weather. Three chimney caps were replaced and tuck pointed. Hinz said they plan to remove eight more trees to do additional garage aprons. They will only do ten aprons this year because a couple steps had to be replaced. Feldner asked what the status was of deck replacement on Cavell. Wooten said he did inform the homeowner she is responsible for replacement of the deck. Hinz pointed out there are several decks within the Association that need to be replaced. It is not the Association's responsibility to repair or paint rotted decks. Hinz questioned if there is anything the Board can do to require these decks to be replaced. Pelzel said she would contact the City to see if there is any ordinance regulating replacement of rotted decks.

Evavold asked what the status was of a leaking faucet. He questioned if the homeowner would be responsible for the insurance deductible for repair. Hinz said they need to determine why the faucet leaked. He has been in contact with the homeowner. The manufacturer wants to test the faucet to see if it is defective.

At-Large – Chuck Amlaw, Christine Hazen and Wayne Evavold

Amlaw said as required, he has asked for additional bids for the Association’s master policy. He has not yet received a bid but it appears there may be two companies that would offer insurance. If and when that comes in, he will let everyone know. One of these could replace State Farm as the Association’s carrier. It should be a competitive bid.

Evavold said he has nothing to report.

Hazen said she has nothing to report.

Old Business – Review and Approve Plans, Budgets for Landscape and Grounds and Maintenance for 2024/2025

Feldner presented her landscape and grounds budget. She reviewed what has been spent and reviewed each line item of the 2025 proposed budget. In addition to the monthly contract, Miller will complete lawn aeration at least once for a cost of \$1,820. The budget for updating and/or repair of rock beds and lawns is \$20,000. This includes refreshing AC areas where new aprons are installed.

In response to a question from Evavold, Feldner responded that she first looks at the requests that have come in from homeowners and then she walks the property to see what needs attention and then works with the homeowners individually for upgrades. Feldner explained some homeowners do not do anything to their property and some have not responded to her when she reaches out to them. Evavold said several months ago he suggested they break the Association down into quadrants to be sure every homeowner is treated equally. Feldner explained she reaches out to see if the homeowner wants new shrubs and if the homeowner does not respond to her, she is not going to replace the shrubs because she cannot be assured they will water them. She said she is treating all homeowners fairly in upgrading and updating their areas. Evavold said everyone is paying a certain amount of dollars and those dollars should be equalized out to make sure each property is looking good. We have residents who don’t take care of their property and that affects the value of his property. The Board previously discussed breaking the development into quadrants and to break it up so that over a two- or three-year period at least every rock area would be done.

Amlaw pointed out MN State Law 515B.3-107 states board of directors shall prepare and approve a written preventative maintenance plan, maintenance schedule, and maintenance budget for the common elements. The association shall follow the approved preventative maintenance plan. The association's board may amend, modify, or replace an approved preventative maintenance plan or an approved maintenance schedule from time to time. The association must provide all unit owners with a paper copy, electronic copy, or electronic access to the preventative maintenance plan, the maintenance schedule, and any amendments or modifications to or replacements of the preventative maintenance plan and the maintenance schedule. Amlaw said he has been asking for this plan for some time. There needs to be a plan and then there could not be any favoritism or a slush fund involved. Feldner said it is difficult to predict what trees or what shrubs are going to last through the year. She cannot predict which areas are going to need attention. Feldner said she takes offense to the term slush fund. This is not a slush fund. Feldner said she shows where the money will be allotted. However, this may change if a storm or some other unforeseen event occurs.

Feldner said she does not feel quadrants is the way to go. If a quadrant gets done one year, what about the other quadrants that are not on the list but want something. Feldner said she is treating everyone fairly and if they can find someone who feels they are being treated unfairly they should come to the Board meeting.

Evavold said in previous meetings they have talked about extenuating circumstances. There is money in reserves for those instances. The Board could decide to assign certain funds for an emergency issue. Those are for living things. They are talking about non-living items such as rocks, walls, etc. Those things can be predicted and can

be maintained. Evavold said there are certain things that can be done and as a Board member he would like to make sure that all 157 homeowners get fair treatment on the things that can easily be divided.

Wooten explained the process Feldner has gone through is to talk to as many homeowners as available for improvements this year and has a list for next year. Feldner said she can't accomplish everything in one year. Wooten said exceptions do come up and if there is something they have to have done, Feldner does have a process for handling those requests.

Pelzel asked if what Feldner has presented this evening meets the plan Amlaw is referring to under MN State Statute. She asked what more specifically do they need. Amlaw said they need a schedule. Pelzel asked how can they schedule unforeseen things from year to year.

Wooten said this should be an objective process and not a subjective process which allows us to pick and choose what we want. Wooten pointed out Feldner has invited Board members to walk the property with her to determine what needs to be done. He wants to make sure the Board is in agreement that the process in place right now to garner the input from our homeowners is a process we are okay with. This process has been in place for some time and it yields the best return in getting things done. The exception is things that need to be done in a more expeditious way which then Feldner can come to the Board to address those issues. For example, a homeowner may have a need to sell their house and the property around the house needs to be addressed.

Motion was made by Wooten, seconded by Pelzel, that the Board approves the process that is in place and goes from year-to-year and may be used as a framework for addressing the needs of each homeowner in our Association; and, extenuating circumstances beyond the budget will be considered by the Board on a project-by-project basis to determine how it will be handled.

Evavold said this still leaves a third of it out. For example, an exception to the rule is if a tree falls down or a homeowner needs improvements to sell their property. It is not going to all 156 units and it does not make sure that rocks and things like that in a non-living atmosphere is good and everyone is being treated equally.

Pelzel seconded Wooten's motion. The motion carried, 6-2-1 with Amlaw and Evavold voting nay and Hazen abstaining. Hazen said she did not understand the motion and Evavold said they need to address each homeowner's property.

Hazen questioned what was happening with the rocks being removed from the Cavell wall project. She asked if they could be repurposed. Feldner responded the rocks are cracked and they have disintegrated so they cannot be reused.

Feldner continued review of her 2025 proposed budget explaining she will work with Miller in doing additional dirt, seed, scuffing etc. for an estimated cost of \$6,000. Removal of trees, stumps and tree trimming would have a budget of \$20,000. This includes falling trees, broken branches, etc. but does not include garage trees. Hinz said he feels they need additional funds for this line item. There are many trees that need to be removed or trimmed. Pelzel agreed and said there should be additional funds to take care of these trees.

Motion was made by Pelzel, seconded by Wooten, to increase the budget line item for removal of trees, etc. by \$10,000, from \$20,000 to \$30,000. This would increase the Landscape and Grounds budget to \$69,320. Amlaw suggested they meet with the arborist first to see what actually needs to be done before they increase anything. Feldner said she is not meeting with the arborist until next week and probably wouldn't get their report for another two weeks which would be too late for sending out the budget to the homeowners. Evavold said the entire Board votes on the budget. If they need an increase in the budget here, then they need to look at the rest

of the budget and see if other areas can be modified. Hinz pointed out if the money is budgeted that doesn't necessarily mean it has to be spent. The motion carried, 7-1-1 with Amlaw voting nay and Evavold abstaining.

Feldner reviewed the budgeted item for new trees and/or shrubs. She is projecting \$10,000 for that line item. The last item is winter reserves for sanding and ice melt which is at \$1,500 and includes ice melt. The total 2025 budget for Landscape and Grounds is \$69,320 including the additional \$10,000 for tree removal.

Evavold pointed out they have funds that are invested at .05 percent when they could be looking at three-month or six-month CD's and earning more money to help offset the additional \$10,000. Evavold said they can take those funds and go to short-term money markets and get a better rate of return to offset costs like this. Pavlik said she has spoken to BMO about doing a three-month CD at the end of the year, after everyone spends their budget. Once funds are replenished, they can put those funds into a longer-term CD.

Motion was made by Hinz, seconded by Pelzel, to approve the Landscape and Grounds 2025 budget in the amount of \$69,320. Motion carried 7-0-2 with Amlaw and Evavold abstaining.

Hinz reviewed his proposed 2025 budget stating the budget for maintaining the townhomes will remain at \$25,000 as well as the chimneys/tuckpointing remaining at \$8,996. Hinz said he is proposing to increase the steps budget by \$6,000 from \$16,000 to \$22,000. Walkways will remain at \$6,000 and garage aprons will remain at \$20,900 resulting in a total budget for property maintenance of \$82,896.

Hinz reported they have 30 additional garage aprons to do and he is proposing they do 15 next year and 15 the following year. Evavold asked if there have been residents within the Association asking to have their interior garage floors repaired because of cracking from tree roots. Hinz said the Association is not responsible for repairing inside garage floors. Feldner said the tree roots are limited to outside and she is not aware that any of them have gone inside of the garage. Hinz said the homeowner is responsible from the garage apron forward.

Feldner said what they have discussed is the maintenance budget and she questioned what the tree budget would be. Hinz said he was not sure he would need all of the \$20,000 approved from the money market operational fund for 2024. There are still nine trees that will have to be removed. He would like to budget \$20,000 for tree removal for 2025.

Motion was made by Feldner, seconded by Evavold, and all members present voting aye to approve the exterior maintenance budget of \$82,896. The motion carried, 9-0.

Pavlik said for 2024 they approved \$20,000 from the BMO/Harris money market for tree removal between the garages. She asked if they are doing another \$20,000 for 2025 from this same account. Hinz said that is what he is requesting.

Amlaw asked if they didn't want to consider any competing proposals for insurance. Wooten responded not for this year. Pelzel said she did not feel there was time to wait for bids to be submitted and considered. Homeowners would have to be notified that we are changing insurance, etc. She is also hesitant to change insurance companies because of the Association's history with State Farm. Amlaw said that is not an issue. We are required to get competitive bids and he has at least one proposal coming in.

Motion was made by Wooten, seconded by Feldner, to approve the proposed Master Insurance Policy as presented by State Farm Insurance including the proposed change regarding hail and wind damage. Motion carried, 7-1-1 with Amlaw voting nay and Evavold abstaining because he felt they did not have enough information regarding the changes to the policy.

(Regan left the meeting at 7:39 p.m.)

Pavlik reviewed the remaining budget line items with all remaining the same as 2024 except for Insurance which was increased to \$126,978 and includes the master policy, umbrella policy, worker's comp and director and officer's policies. Pavlik pointed out we should replace the reserve/replacement fund because we have used those funds for replacement of the wall on Cavell Circle.

Pavlik said they will either have to increase dues, decrease the budget or determine where the additional funds will come from. Evavold pointed out our assets have increased. Pavlik said they do need to have reserves for roofs, siding, asphalt, etc. Hazen said as long as we continue to earn and invest wisely that will not be an issue. Evavold said if the reserve becomes too low and a CD comes due some of those CD funds may have to go to reserve.

Wooten said if we do not increase the dues, there are funds that could be drawn from reserves to make up the difference. Feldner asked where the money would be coming from. Pavlik said there are operational and reserve funds that could be used. Evavold said they know the insurance is raising which is approximately a \$9 increase in dues for insurance. Pavlik said funds could come from the BMO Harris Money Market Operational fund to offset the increased insurance costs.

Motion was made by Wooten, seconded by Amlaw, to approve the 2025 Budget as presented without an increase in dues. Motion carried, 7-1 with Evavold voting nay.

Melinda Wooten, 10450 Decatur Avenue South, said it would be helpful if the interest rate and maturity date for the CD's was listed on the Treasurer's Report.

Evavold said he is voting no on the motion because he does not feel the Board is doing justice with the money we are receiving. He feels we do not have a good plan on how we should handle the monthly dues we are receiving.

Pavlik questioned if they are going to put any money into the Reserve/Replacement fund. It was decided that the fund should stay at \$47,100 for 2025. Pavlik said it is her understanding that they are taking \$17,000 out of the BMO Harris Money Market operational for the insurance increase. Pavlik said they may be able to use funds that have not been spent in 2024, for example water, and use that to offset other budget increases.

Motion was made by Hinz, seconded by Pelzel, to adjourn the meeting. The motion carried, 8-0 and the meeting adjourned at 7:57 p.m.

Respectfully Submitted By
Carol Pelzel, Secretary