



BOULDER RIDGE
Annual Meeting Minutes

DECEMBER 17TH, 2024

VFW

Call to Order: The meeting was called to order at 6:03pm.

Board Members Present: Debbie Bennes, A. Bikkani, Deb Jensen, Pam Parker-Pahl

Others Present: Tom Hill (Matik Management), A list of attendees will accompany these minutes

I. Financial Report

1. 2024 Review

- A.** The balance sheet showed a total assets of \$202,864.55.
 - 1.** Operating account: \$61,444.87
 - 2.** Reserve account: \$91,419.68
 - 3.** Reserve CD: \$50,000.00

- B.** The members reviewed the budget comparison for the months of January through November.
 - 1.** Overall, the comparison showed the association over budget on expenses by \$21,250.42.

 - 2.** The main contributors to the overage on expenses were
 - a.** Dryer vent cleaning: \$7,700

 - b.** Insurance: \$7,000

 - c.** Maintenance
 - i.** A biohazard cleanup was needed this summer and will be reimbursed to the association. This expense was \$4,800.

 - ii.** There were several line breaks in the mechanical rooms in the winter months of 2024.

2. 2025 Budget

- A.** The members reviewed the 2025 budget.

- B.** The budget was created by utilizing the last 12 months of actual expenses and incorporating any known or anticipated increases in service costs.

- C.** Overall, the expenses are \$50,000 higher than the 2024 budget. There are several contributors to the increase.
 - 1.** The property is aging, which leads to higher general maintenance expenses.

2. The sprinkler system is aging, which leads to higher maintenance costs to operate the system.
 3. Insurance has significantly increased again. This, alone, represents a \$40,000 increase over the 2024 budgeted amount.
- D. Other increases include
1. Fire safety: This includes annual inspections, monitoring, and repairs to the fire suppression systems.
 2. Management: The increase is \$2. The total is \$16 per home, per month. Since starting in 2020, the total increase is \$3.
 3. Trash Disposal: While Harter's was willing to match the previous trash company, there is an anticipated increase coming.
 4. Taxes: Any income from interest is taxable at the corporate rate.
- E. To mitigate the additional expenses, a dues increase was necessary. The new monthly dues are \$300.
- F. The capital plan was also reviewed.
1. Every capital expense item that the association is responsible for is entered into a spreadsheet. The anticipated cost and year of replacement is entered into a calendar. The information then flows to a table that represents the anticipated end-of-year reserve balance, based on the calendar and the association's net income (annual dues minus annual expenses).
 2. Based on that table, the association would have a positive reserve balance until the year 2041. To maintain a positive reserve balance through the next 20 years, the annual net income will need to be \$150,983, which is \$28,968 higher than the current annual net income.
 3. MN Statute requires every association to provide for adequate reserve funds to cover the costs to replace those components the association is responsible for.
 4. Additional dues increases will be necessary, over the next years, to meet this standard.
 - a. Once the necessary annual net income has been reached, dues increases would then be needed to maintain that net income. For example, if a subsequent fiscal year's

operating expenses were increasing by \$6,000, a dues increase of \$4 per home, per month, would be needed.

II. Landscaping/Maintenance

1. Review of 2024 completed items

A. There were several items completed in 2024

- 1.** A large asphalt project was completed on the North side
 - a.** The association was able to find a vendor that resulted in savings of over \$60,000.
- 2.** Concrete walkways were replaced
- 3.** More shutters were replaced
 - a.** The supply costs are covered under the warranty.
- 4.** The decorative louvers, on the ends of buildings, were removed
- 5.** Additional dead or missing plants were replaced
- 6.** Three dead trees were removed
- 7.** Two alarm panels were replaced
- 8.** 13 new trees were planted
- 9.** General maintenance was completed, including siding repairs, roof repairs, gutter repairs, etc.
- 10.** Several water line breaks were repaired.

2. Anticipated 2025 items

- A.** General maintenance will arise from the annual Spring inspection.
- B.** Additional concrete and asphalt work is anticipated.
- C.** As the cost of water line breaks are expensive, a preventative measure was found. It includes replacement of the old copper lines to PEX. Four buildings have been completed so far, at a cost of ~\$650 per building. The average cost of an after-hours water line break repair is ~\$500.

III. General/Open Forum

1. Insurance

- A.** A discussion took place about the continually increasing insurance costs.

1. The majority of insurance providers have been leaving the habitational insurance market, due to the significant increase in claims over the last 4 years.
2. Of those that remain, many have instituted lower maximum coverage amounts. With the total insured value of Boulder Ridge being ~\$40,000,000, the association is left with minimal options for insurance providers.
3. The Board has been seeking competitive insurance options over the last two years, and they will continue to do so. Hopefully, there will be a series of years in which there are minimal claims in the coverage area. If so, this will likely cause providers to re-enter the market.

2. Operating Expenses

- A. A discussion took place on the services the association currently pays for.
 1. In reviewing the budget comparison and the 2025 budget, it was generally determined that only one service/item could be removed, which is the association's website. The annual cost is \$200.

IV. **Board Vacancy**

1. Nominations

- A. There were 7 nominees.
 1. Tyler Higgins, Abhi Bikkani, Deb Jensen, Patty Peters, Debbie Benson, Pam Parker-Pahl, and Patrick Urban

2. Outcome

- A. As a quorum was not reached, an election could not take place.
- B. Per the Bylaws, the existing Board will need to make appointments to the Board of Directors. These appointments will last until the next annual meeting.

V. **Next Meeting:** January 9th, 5:30pm, Matik office

VI. **Meeting adjourned:** With nothing left to discuss, the meeting was adjourned at 8:06pm.