

Robert E. Kraus  
12785 84th Avenue N  
Maple Grove, Minnesota 55369 October 24, 2024

Dear Bob,

I was sorry to hear that your wife had a severe illness at Monday's annual HOA member's meeting. I want to say that your tenure on the board as its prior President was a success from my wife's and my perspective. We were delighted with our HOA board until this year's attempt to re-side all quad buildings.

While we may have differing views on the urgency of the siding issue within our HOA, we must find a mutually beneficial solution for all members, not just a few. Your arguments about the siding are based on needing 'special' assessment votes. I understand your point of view, but I believe other solutions exist that won't further burden HOA community members with additional debt or increased monthly dues. For instance, the difference in thickness for vinyl siding is minimal, and we could potentially save a significant amount by opting for the standard vinyl siding.

I believe no justification exists for more 'special' assessment votes. I firmly believe it is time to live within the means of our resources. In part, the 'special' assessment needed from some perspectives is derived directly from the specification of the siding the board wants. A recent visit to a siding contractor found that the difference in thickness for vinyl siding ranged from .042 to .050. That means there is only eight thousand (~1/128) of an inch difference between the standard vinyl siding used and the most expensive. By living within our means, we can avoid the need for 'special' assessment votes and ensure financial responsibility.

Before the 'special' assessment vote, I talked to three other people in construction about the siding costs. I also obtained an estimate that considered downspouts from MEI located in Osseo, about three miles from us. Brian Ruesink and I visited MEI in person to discuss siding. Contrary to the HOA board's assessment vote for a \$1.6 million project, all four contractor estimates on residing the quad buildings were all in the low \$50K range. Two were from HOA members in the contracting business or with family in the industry.

So, there is a significant gap between the board and the members they serve regarding how to approach siding. The solution appears to be either increasing the reserve funds by \$130k annually or using those budgeted funds and some part of the existing reserve fund to re-side 2-3 quad buildings yearly. We could start with the oldest painted quad buildings or buildings needing immediate assistance. We could also paint one or more

quads to buy time if needed. Living within our annual HOA resources means no need for 'special' assessment votes. There is certainly no further need for expanding the reserve fund. It's already adequate!

I'm writing because I would like to work with the HOA board and you to help resolve issues that HOA members like me have. I'm open to discussing and exploring alternative solutions to the siding issue and other concerns. I understand the board has a challenging task, and I'm here to offer my support and input. I suppose you and other board members might wonder why I didn't apply for the board myself. The reason is I was diagnosed with Parkinson's this summer. I need to spend a lot of my time dealing with the health issues involved. Quite frankly, I'm not sure where this will all lead. There are other reasons, such as that I'm already on the boards of two non-profit organizations. I also believe that a highly rigid board of directors (BOD) depends on Omega Management. For instance, why exactly does Omega need to be at in-person meetings? Who on the BOD, if any, actually has some corporate non-profit experience?

Suppose Omega is the expert for the HOA. If so, why do the following issues exist in their annual report this year?

Minnesota Statute 515B.3-113(b) was cited on page one in a section on insurance. The problem with this law citation is that we are not obligated under Minnesota Laws 515, 515A, or 515B, which cover Condominiums. Our HOA is organized under Minnesota's Non-Profit Corporations at 317A of the Minnesota Statutes. The insurance provisions are located in Article 8.4 in our Declaration document.

That means that Omega does not understand our HOA forming documents or is confused about the Minnesota laws governing our operations. Minnesota Statute 317A, our Articles, By-laws, and the Declaration Document govern our operations. None of these documents are relevant to Minnesota Condominium laws.

On page two of Omega's annual report, past-due accounts were listed as of July 31, 2024. Why didn't it have more current information, maybe from September 30, 2024? Indeed, that information was available. Note: The annual report could have been handed out at the meeting and separated from the meeting's notice. In that case, there would have been an additional incentive to attend the annual meeting.

In the annual report, page two of the Auditor's letter is dated February 9, 2023. However, since the report is for the year-end 2023, it should be February 9, 2024! While it is undoubtedly an Auditor's oversight, it does not inspire confidence in either the Auditor or Omega. The error should have been caught before sending it to the HOA

members. It is unprofessional at best. At worst, it speaks of an untrustworthy auditor and Omega management team. We are paying them to do the correct job, right?

The Annual Report's audited data is for the year 2023. Yet, from a management perspective, why are HOA members provided year-old information? We are already into the fourth quarter of 2024. Why wasn't data used for the first three quarters of 2024 and 2023? Or why weren't we shown the first three quarters of 2024? It would have been significantly more meaningful to show current data with or without the same three-quarters of last year's data compared. That is true even if the nine months of data is interim and unaudited. Offering 2023 year-end data in the fourth quarter of 2024 speaks of financial incompetence or that something is being hidden from HOA members.

From my viewpoint, several issues with Omega's operations need to be addressed. The lack of transparency in their processes is one of them. This lack of transparency can lead to a breakdown in communication and trust, which are essential for the board to improve member engagement and support. We can foster a more open and collaborative environment within our HOA by addressing these issues and ensuring that all members are informed and involved in decision-making.

HOA board oversight of Omega's processing of maintenance issues is the number one issue for HOA members. The board must fix Omega's process, which is too much like an obstacle course. It also resembles the early computer problems where the software blamed the hardware vendor and vice versa for difficulties. Omega claims they didn't get the members' input, and of course, the board never received any input from Omega. It is an excuse cycle that leaves members feeling like they're in an obstacle course. According to one homeowner, replacing a garage door first required an architectural drawing by Omega. How about Omega requiring an 86-year-old to take pictures of the woodpecker hole before issuing a maintenance request? According to my neighbor Janet Bury, that happened when she finally did get through to Omega on the phone. The board cannot ignore continued member maintenance inputs and complaints centered on Omega at every meeting. They must also insist that Omega accept maintenance calls over the phone without trying to impose a digital record on those members.

Bob, your email contact information could eliminate much of the aggravation that Omega causes. It could also provide you with some oversight of the maintenance. If the board wants to modernize, it can make members' lives easier for maintenance requests and, at the same time, simplify current board management issues. I can show them how.

Omega controls our HOA documents. To this extent, they are gatekeepers and are an unnecessary part of the process. Take secretary minutes as an example. The secretary creates meeting minutes and should be able to upload the minutes without involving a third party. That is easily accomplished using modern HOA management software. Instead, the secretary has to send the document to Omega, and someone at Omega has to post the document. What is not timely posted? The minutes of meetings! That means there is no follow-through after meetings. Why?

We could discuss many issues to help our HOA improve the board's operations, and the members' experience, and ease the board's volunteer workload.

Bob, I'm writing to initiate a dialogue with you and the rest of the board. I believe that open communication and transparency are crucial for the success of our HOA. I'm offering my corporate management experience as a valuable input to the board. We can solve our HOA issues with open communication and collaboration with more community member input without needing 'special' assessments.

As we move forward, it cannot be a repeat of the HOA board of directors not knowing or fully understanding the HOA community members they serve or the members' needs and priorities. The siding issue has now brought the board's interest in serving the entire HOA community's interest into question. The board currently comes across as disinterested and disconnected from its community. This year, the board's outright dismissal of in-person meetings at the annual HOA meeting illustrates this disconnect, as was the 'special' assessment vote for siding without first communicating the details and surveying the community members.

Feel free to contact me. I would happily meet with you or the entire board of directors in person.

Sincerely yours,

A handwritten signature in cursive script that reads "Edward G. Palmer".

Edward G. Palmer  
8303 Oakview Court N  
Maple Grove MN 55369

763-370-8227  
edwardgpalmer@gmail.com  
cc: [www.pineview-hoa.org](http://www.pineview-hoa.org)