

Working Group on Common Interest Communities and Homeowners Associations – Public Listening Session Transcript

December 19, 2024

5:30PM

Ramsey County Library

This transcript was created for the [audio recording](#) of the December 19th, 2024 Public Listening Session for the Working Group on Common Interest Communities (C.I.C.) and Homeowners Associations (H.O.A.)

Corresponding meeting materials can be found on the [Working Group on Common Interest Communities and Homeowners Associations Meetings page](#)

Transcript

Chair Bahner - 00:00

There are time limits. We do.

If your time expires on the agenda, we

have two to three minutes for each individual

to speak to make sure everyone gets heard.

Because it's looking a little light tonight and

we don't have too many more testifiers, we

may give a little lead way on that.

But just please be aware that when the timer goes off

to try to wrap up your last thought or sentence so

that we can make sure everyone gets heard again.

If you have not signed up, please sign up on

the table over there so we can make sure to

get your name on the list to testify this evening.

Also, I want to make sure that
there are two sign in sheets available.

Feel free to sign up on either one.

One posted at the entrance and
one at the testifier table.

Please ensure that you sign in with the following.

Your name.

You are welcome to use initials
if you prefer for privacy sake.

That is fine with us.

Your contact information, such as an email
or phone address for the purposes of
follow up, what city you live in.

If you have a role such as an HOA board
member, treasurer, attorney, whatever that is, and we ask that
you include the name of your HOA or CIC that's
involved and the management company, we are actually tracking that
because we have seen some interesting patterns developing.

So it's been very helpful to get that information.

And if you are on deck, please make sure to sign
in while you're waiting, if you have not done so already.

And finally, if anyone is presenting this, even who testified

at the public listening session on December 5th in Maple

Grove who did not sign in at that time, please

sign in tonight on the sign in sheet as well.

And with that, once again, a friendly reminder, we

want to make sure that you write your name.

Okay, apparently we've written this a little too much, but make

sure you sign up on the sign in sheet again.

Once again, three minutes is the maximum.

We will time it.

There'll be a little alarm that goes off at three

minutes so you know when the time is up.

And Andrew here will try to give you sort of a high

sign when you're about a minute away from your time being expired

and we ask that you try to adhere to that.

And at the end, of course we'll give

some more additional information on future listening sessions.

But I can tell you up front in case anyone leaves

early, that there is another listening session being planned for Thursday

January 9th from 5:30 to 7:30 and I believe the other

one is the 16th also from 5:30 to 7:31 will be

in Eagan one will be in Eaton Prairie.

Our committee page will post the locations for

those events as well as the times.

I will say it here at the front and I will

repeat it at the end in case you miss it.

But the site to go and find that information

is www.lcc.mn.gov/cichoa and that is where you can

also find a list of all of our other

meetings, including the work group meetings happening at the

Capitol in case you want to listen into those.

There should also be links on that page

to listen into those sessions or to hear

recordings of previous sessions if you wish.

And with that we are going to

go ahead and start get started.

We do not have I should put a disclaimer here.

There is no official legislative

business being conducted tonight.

There are no votes being taken tonight and we will
all of that is saved for a later date tonight.

We are here to listen to hear from all

of you, to hear your stories and your experiences

and use that to help inform our work as

we set up forth recommendations to the legislature on

potential statute changes and reforms to the area statute specifically relating to common interest communities and homeowners associations.

That includes things like townhomes and co ops as well.

Just for clarification in case anyone is in that situation here in the room tonight.

And with that we will call this listening session to order so that we can start the recording.

I will mention that we are recording this evening's events for other folks to hear the testimony tonight and of course for us to

review as we think about our recommendations. And with that I'm going to call to

order the listening session tonight for Thursday, December 19, 2024 at the Ramsey County Library at 3025 South Lawn Drive in Maplewood, Minnesota.

And with that we will call up our first testifier. Dr.

Nichols, if you would kindly come to the table.

And thank you Jan, for coming up as well.

And when we shift then we'll let you know who's on deck next.

So feel free to come in again.

Reminder, sign in on the signature sheet.

Sorry Dr.

Nichols, if you want to go ahead and proceed.

Testifier 1, Dr. Nichols - 06:06

So in preparation for this listening group, I

submitted a paper which is much more detailed

than what I'm going to say.

About one and a half years ago the

Woodbury Area Townhome Association Watha was formed.

And because of the information that this

group provides in sharing, I've heard many

stories about insurance pricing resulting in increases,

sometimes severe increases in HOA monthly dues

and in some cases necessary loans.

This creates undue hardship for all owners, but more

especially for lower income and fixed income owners.

I understand as a group that you have heard about

HOA and CIC struggles with insurance and pricing, but I

feel it is imperative that we continue the repetition.

A recent December 16, 2024 Washington Post

article, ensuring your home has never been

harder states, quote, property insurance premiums have

risen more than 30% since 2020.

The last full year the industry posted
an underwriting profit, end of quote.

However, at Fairway Meadows Manor Homes, we are
fortunate relative to other HOAs in that our
insurance pricing has only increased 95% since 2020.

And while our insurance pricing
has significantly increased, our insurance
coverage has significantly decreased.

And I just realized I didn't say
who I was or what I did.

I'm the treasurer for Fairway
Meadows Manor Homes in Woodbury.

So our wish list for the working
group regarding insurance, I have two wishes.

One, decreasing insurance coverage and increasing
pricing continues to be a huge
financial issue for HOAs and CICs.

To maintain fairness and reasonableness, which I know are
keywords for you, we would like to be considered
under the same legal guidelines as single family home,
as we do also own our individual homes.

Under current Commerce Department guidelines, each HOA and

CIC is considered a non profit business even though we are a collection of homeowners residences.

What insurance guardrails can the legislature create or enforce for the Commerce Department to better insulate multifamily homes financially from exorbitant insurance pricing increases and coverage decreases?

2.Many current insurers will not offer a renewal proposal until 30 days before the end of an HOA policy, making outside competitive quotes difficult for HOA board members to acquire.

Prospective insurance companies also require that the HOA give them the coverage and pricing from the current year before offering new terms, making it almost impossible to have pricing competition for hoas in the marketplace.

This seems to be an industry standard.

How is this fair and reasonable?

And what are some remedies?

And thank you for having this session today.

For that.

[background noise]

Thank you.

Chair Bahner - 00:09:45

Okay, we have Jan Hubinger and next up is Jason Stroms.

Jason Stroms, No.

If not, Sheila Hawthorne would be next on deck.

All right, Jan, if you'd like to go ahead and proceed.

Testifier 2, Jan H - 00:10:18

Madam Chairwoman and committee members, thank

you for organizing this meeting and

providing me the opportunity to speak.

My name is Jan Hubinger and I'm currently

the secretary for the Willows of White Bear

Lake Town Home association and I'm speaking on

behalf of the board and homeowners.

Our association is 33 years old.

We are an association of 56 units in 14

buildings, approximately 95% of us are fully retired.

Our issue is, is with the hold

harmless clause in property management contracts.

We were financially harmed by

our former management company.

All attempts to reach an accommodation for

the financial office losses were rebuffed.

Two lawyers we spoke with advised that we had little chance of coming to any settlement with the management company.

And that turned out to be the case.

Now with our second management company, we find the whole harmless clause in the contract.

Our questions are these.

Who or what holds the management companies accountable when errors are made?

What recourse does an association really have?

Who or what provides protection for the association?

I thank you for your time this evening.

Chair Bahner - 00:11:42

Thank you, Jan, for that and.

I'm sorry, Jan, did you see you

were on the board at the.

Testifier 2, Jan H - 00:11:55

Yes, Secretary.

Chair Bahner - 00:11:56

Okay, got it.

All right, come on up, Sheila.

Sheila Hawthorne.

And on deck is Mrs. D.

00:12:12

[background noise]

Chair Bahner - 00:12:27

And just a reminder, we do have

a meeting tomorrow at the Capitol.

So any those handouts will get get shared

with the other members at that time and

we'll make sure we have enough copies.

Go ahead and proceed, Sheila.

Testifier 3, Sheila H - 00:12:41

My name is Sheila Hawthorne and I am a

HUD certified housing counselor with Washington county cda.

And I'm here representing a member of

the Housing Counseling Network providing prevention counseling.

So as a HUD certified housing counselor

at Brigley, hear stories of homeowners being

taken advantage of by property management companies

and law firms in HOA related cases.

So, since 2008, Minnesota law has required

law firms to send a pre foreclosure

notice to HUD certified housing counseling agencies.

So upon receiving these notices, we mail a foreclosure prevention brochure to the homeowner. While some homeowners reach out to us, many remain hesitant due to the prevalence of scams in today's society.

The homeowners are undaunted with misleading mail claiming to fix their financial problems, making it difficult to trust legitimate resources.

So however, when a homeowner does contact us, whether by phone or email, we work diligently to earn their trust.

We provide education on foreclosure laws, explain the process and outline their available options, empowering them to take informed steps forward.

So, since 2020, we've been tracking the number of pre foreclosure notices received from the law firm.

So over the past three years, we have a significant increase in the number of pre procession notices in Washington county, as you can see in the chart that I have provided in the second packet.

So with Christmas just six days away, I'd like to Present my wish list to you.

So I'm hoping that us Policymakers will take

these requests in serious considerations that they deserve.

And so there is a list of 10 items

that I would like to see changed to basically

make the laws stronger for homeowners and to hold

the legal firms accountable for their actions.

In just two weeks, I've had two clients facing

five closure by their HOA, and they're both involving

the same law firm and property management company.

So both clients experience significant challenges in

communicating with the law firm, you see.

So they've been repeatedly leaving voicemails, sending emails

without receiving a response, and they each wanted

the opportunity to to discuss the delinquent amounts

owned and the associated charge with the attorney.

So I've included their stories in

the packets provided for your review.

The challenge for the HUD certified housing counselors

is that if we talk with the foreclosure

attorney, then they will bill us, but the

bill goes toward the homeowner.

So it's really difficult for us to

be able to work with attorney.

Okay, thank you very much for your time.

I appreciate it.

Chair Bahner - 00:16:12

Thank you for that, Sheila.

And I have heard that said of a few
of folks who've worked with the counseling agencies that
they are struggling with when they try to intervene
on a homeowner's behavior behalf that the homeowner is
actually getting charged for, you trying to aid them
in understanding what's happening. And I.

We also had some stories from the last time
around just to clarify about attorney bills without clear
definition of what those bills were for or what
the fines and fees were for.

So I know that that has been
a real concern and we've seen that
common thread through a number of conversations. Yeah. So.

Testifier 3, Sheila H - 00:16:55

And you know, when they're not returning calls,
voicemails, emails, you know, and I've had that
happen to me as a housing counselor.

I have called the attorneys too, myself.

They have waited three weeks to a month before they even respond, and fees keep accumulating, which is really unfair to the homeowner when they're trying to resolve it.

Chair Bahner - 00:17:19

So just as a clarifying question, are they charging fees for every time you make a phone call?

Testifier 3, Sheila H - 00:17:25,359

Some of them are.

Chair Bahner - 00:17:27

Even though they're not answering?

Even though they're not answering.

Testifier 3, Sheila H - 00:17:30

Even though they're not answering.

Chair Bahner - 00:17:33

Okay, I appreciate that.

Okay, thank you for the clarification.

Member Murray - 00:17:38

I had a clarifying question.

Have you raised any of this for

unfair business practices through the Attorney General?

Testifier 3, Sheila H - 00:17:48

I have reached out to the Minnesota Attorney

General and to the legal aid as well.

So in these Two cases that I'm currently

working with in the last two weeks.

One of them is low income.

She's a single mother with a child,

so she'll be eligible for legale.

And then the second one, she's hired an

attorney to try to get those fees weighed.

So, yes, we are very familiar with

Minnesota Attorney General and Legal Aid.

Chair Bahner - 00:18:22

Yeah, thank you for that.

I appreciate it.

I do want to also mention, when we talk

about the Attorney General, one of the main reasons

we are here is because sadly, we see an

increasing number of HOAs being formed around the country.

My understanding is about 82% of new

homes being sold fall under an HOA.

So we see a very marked increase in HOAs.

We've also seen a marked increase

in the challenges around hoas.

Some states have started to make an effort to do some reform or to rein that in, such as Florida and Illinois.

Minnesota is on sort of the forefront of that, trying to do that as well.

But one of the challenges we have is that there really is not a lot of consumer protections written into Minnesota statute, which means that it's very hard for the AG to actually enforce or go after when there are problems.

So that is part of the rationale behind the work group.

So I just want to make that clarity that the aggression has.

Has been struggling with this as well.

And they actually are delighted that we are here today because they.

They unfortunately hear all the horror stories and often are powerless to take action.

And so we hope that we can change that as part of our work here.

So thank you for that.

Next on the list was Mrs. D.

If you want to come up.

And I do not know, do we have someone else?

And then we have Sam Ruley.

Yes, up on deck.

Thank you so much.

Okay, Mrs. D. Go ahead.

Proceed, please.

Testifier 4, Mrs D. - 00:20:07

Representative Bahner, members of the working community

working group, thank you so much for

this opportunity to participate and testify.

I actually was planning to contact a senator

and ask her to propose some legislation.

So when I saw this working group,

I was absolutely thrilled at the opportunity.

I am going by Mrs.

D tonight because I do fear retaliation.

I am in groups with other

homeowners and have heard accounts of

what they've experienced regarding retaliation.

I am a homeowner and as such,

I'm a member of an association.

And per your request, I will tell you
that the management company is First Service residential.

So I was very excited to purchase my home.

I felt like an adult.

I had it planned so that age 65
or before my home would be paid.

So when I retired, I would have A sense
of security that I would always have a roof
over my head, no matter my finances.

Unfortunately, although I've lived in my home for 25
years, I don't feel secure and that is based
upon the actions of our property management company.

I feel like we walk on eggshells just
waiting for the next calamity to drop.

I'd like to address three major issues tonight.

The first is that the property management company engages
in revenue sharing and let's call it what it
really is, is kickbacks from companies hired to perform
services for the homeowners or to perform work on
the exterior of our homes.

This raises serious concerns.

We homeowners pay an association fee to the

property management company to manage our homes.

There should not be double dipping where they're earning more revenue if they feel they need more revenue to properly manage our homes.

That should have been put in their proposal when they bid on the business.

It is not allowing for fair competition or accurate evaluation of proposals.

In my opinion, it's simply deceptive.

This presents a clear conflict of interest when who will a property management company hire?

The vendor who provides quality work and the best value for the homeowners or the one who provides the largest kickback to the property management company?

I have heard firsthand about kickbacks from companies to First Service residential.

This also inflates prices paid by the homeowners and I have an example of that in the written testimony that I submitted.

I respectfully asked this working group to propose and support legislation that makes it illegal for property management companies to engage in revenue sharing,

rebates, kickbacks or any type of compensation given by a vendor to a property management company.

I also ask you to take a close look. Look at them.

Hiring their sister companies and subsidiaries for service residential, to the best of my knowledge is also doing that.

The second issue I'd like to address is dereliction of duty.

Chair Bahner - 00:23:59

Go ahead and just keep going. Thank you.

Testifier 4, Mrs. D - 00:24:02

I appreciate that.

I had an experience where I had a major leak.

Pipe broke and it took four hours for First Service residential to get someone to my home to shut off a water main to stop the leak.

Four hours of water pouring through my ceiling, destroying my carpeting and my personal belongings.

I live on eggshells waiting for some emergency like that to happen.

And First Service Residential calling a plumbing company

and then charging me \$2,000 for them to
come out and turn off a water main.

They don't seem to do any of the work themselves.

The property management or property manager on duty was
also non responsive when I was desperately Begging for
him not to turn on the water main until
the plumber could finish the repairs.

I was scared to death that the water main
would be turned onto the building and I would
have water pouring through my ceiling again and the
plumber wouldn't be in a position to fix it.

It's terrifying to live that way.

I ask that homeowners receive some type of protection
in the law for non performance of contract dereliction
of duties and performing inferior work on our homes.

And it's impossible, it's financially impossible for

us to settle these challenges in court.
So I ask for a neutral third party to

address these issues and enforce remedies to be effective.

I believe the legislation should address that the property management
companies are not allowed to charge the owner back for
the legal fees for them to defend themselves or, you
know, address this with the neutral party.

The third item I'd like to address is
the black transparency and withholding information from homeowners.

I have virtually no access to our board of directors.

How can they represent the homeowners when
we don't know who they are?

We don't have a phone number, we don't even
have a general email box to contact them.

The only access I have to them is to
attend the board meetings in which we there we
get a very brief open forum and the property
management company is sitting right there.

How am I to approach a board
and ask them to terminate their contract
with the property manager sitting right there?

I urge this working group to propose and
support legislation that makes it mandatory for an
association and property management company to provide records
and documents upon request to homeowners so that
we can see their accounting records, bank statements,
proof of payment, etc.

It is our money that is paying them, it is our dues.

And I don't think anyone would turn over

their financial responsibility blindly to any company.

Not only does this help homeowners stay informed, but

it's also controlled to prevent abuse and fraud.

And from some other testimony I've read,

abuse and fraud is taking place.

Interestingly, there's a clause in our

homeowners umbrella insurance policy that we

pay for coverage for employee theft.

So if first service residential employee

steals from us, our insurance is.

We have to have insurance to protect us against that.

Which I think is beyond the pale.

Thank you so much for your time tonight.

I'm really counting on you.

We homeowners need protection.

Thank you.

Chair Bahner - 00:28:14

Thank you, Ms. D.

I do appreciate that.

I think you also mentioned a couple of common threads.

We've been hearing a lot about lack

of Transparency, lack of access to basic documents to show financial health of the.

Of the HOA reserves, things like that.

Challenges getting access to meetings, to have open forums, and in some cases often some strong arm tactics that keep members from being able to have some form of access with the board, even if it's a generic email box, in order to try and get some sort of contact with those folks.

So I do really appreciate you saying that.

And I know that there's.

Please note that we are taking good notes on all of that and those are common threads that we're hearing.

So we do hear you.

Thank you for that, Mrs. D.

And Sam, if you want to come next.

And then I have Jason Meisner Misner.

Okay.

And Sam, how do you say your real last name?

Testifier 5, Sam R – 00:29:29

Ruley. You said it correctly.

Chair Bahner - 00:29:32

Okay.

If you want to go ahead again, state your name,
what association you're with, if you're represented, someone on the
board or what have you, and if what your.

Your property management company is.

Testifier 5, Sam R - 00:29:45

My name is Sam.

Excuse me, Sam Ruley.

I live in Heritage Estates

Townhouse association in Vadnais Heights.

And I am on board.

I'm the property president of the board of directors.

And the reason I came tonight was to shed a
little bit of light on the change in law that
speaks to how, excuse me, townhouse associations are able to
recover money owed to them by a homeowner.

I'll give you a real ongoing example.

We have a homeowner that is in the process of being foreclosed
on for the third time in about a year or so.

And it's always for the same reason.

This person falls behind in their association fees

to the point where it begins to accumulate.

And that, along with the penalties for not paying, add up to, I suppose, around \$1,000, at which point we have no other choice but to contact our attorney.

They start foreclosure, and right before the sale, usually a day or so before the sale, that person comes up with the money to stop the sheriff sale.

The issue that we have is a result of the change in the law when we foreclose.

Each time we foreclose, it costs us about 2000 or \$3000 in attorney's fees to recover that 1000, maybe \$1200 from the homeowners in years past, up until that law changed, once that foreclosure started, the way for you to stop it as a homeowner being foreclosed on was to pay what you owed.

That meant all the fees, association fees, that you were negligent in the Fines and the, and the legal fees that were incurred because of your, the law changed just over a year ago.

All you have to pay now is your HOA fees and the, and the fines, not the attorney's fees.

So what is happening is, I think a law

that was designed to protect homeowners, which is obviously a very good thing to do, ends up really hurting homeowners because the association is homeowners.

I'm on the board, but I'm

a homeowner in that association too.

And so what's happening now is we're going to

end up with about 6 or \$7,000 in attorneys

fees as this third foreclosure, foreclosure progresses.

And it's clear to homeowners who are,

I think in some cases, ill intent.

You don't ever have to pay all that.

Just catch up on your fees and your home will

not be so sold, you won't lose your home.

Meanwhile, the rest of the homeowners

are being held financially responsible for

thousands and thousands of dollars.

And it's really a heavy burden and it's a, it's

kind of a circular, self-perpetuating thing that like I

said, I'm sure that law was enacted or changed with

the best of intentions and in fact my, my plea

here is tonight is for you to re-examine that

for the very same purpose, to protect the homeowners, the

rest of the homeowners in the association.

I think what was intended was to help owners.

Homeowners actually hurts more homeowners than it helps and I'm sure that's unintentional, but it needs to be looked at.

Chair Bahner - 00:33:45

Thank you Mr. Ruley, may I ask, do you have a defined process for what happens before someone goes to foreclosure, before it goes to the attorneys?

Testifier 5, Sam R - 00:33:56

Yes.

Chair Bahner - 00:33:56

Can you tell me briefly what that looks like?

Testifier 5, Sam R 00:33:59

So the thousand foot look at that is that I think once you get a month or two behind, you get a written communication, hey, you're behind, you need to catch up.

And that happens again a couple, two or three times from the attorney.

At the end of that process, it starts out, the management company starts that process.

At the end, that last warning, if you

will, or encouragement comes from the attorney.

And because the law has changed, the homeowner

I'm talking to you about, who's aware of

that, their position is I'm not responsible for

those legal fees, which of course is absurd.

They are and certainly the rest of the homeowners

aren't, should not be held responsible financially for that.

So it's created a real dilemma with the best of intent.

It's like the guy who drilled a hole

in the boat to let the water out.

You know, his intentions were great, but

it didn't do what was intended.

Chair Bahner - 00:35:05

Right.

And is there any.

Has the association attempted any way to work out some

sort of a payment plan with this individual to find

ways to help them take care of the issue?

[crosstalk]

Oh yes from same within.

Testifier 5, Sam R - 00:35:18

They don't have to.

They don't have to.

And in fact, what happens is when you do that,

let's say you do that to me, then I.

If I write back to you.

Well, you know, I don't think I agree with that.

And I'd like to see everything you have, all the transactions you have on my account, and all kinds of things that are ridiculous that they're not even entitled to.

But it keeps that process going and going and going.

It gets very expensive.

So if you're ill intent, you don't have to pay.

Member Murray - 00:35:56

I have to clarify very quick.

Do you have a electronic platform that all

of this is visible to the owner.

Homeowner.

Testifier 5, Sam R - 00:36:06

To the homeowner?

Member Murray - 00:36:07

Yep.

Testifier 5, Sam R - 00:36:07

Oh, absolutely.

Member Murray - 00:36:09

So they can see.

Testifier 5, Sam R - 00:36:11

Absolutely. Okay. Yeah.

They know.

Chair Bahner - 00:36:18

All right. Thank you, Mr. R.

I appreciate that. Yes.

Testifier 5, Sam R - 00:36:19

And thank you.

Chair Bahner - 00:36:20

All right, thank you.

All right, next up is Jason Meisner.

And then after that we have on deck Mark Spires.

Okay.

Then Sherry Marcy would be next on the list.

Go ahead and proceed, Mr. Meisner.

Testifier 6, Jason M - 00:36:52

All right, thanks for having me.

My name is Jason Meisner.

I'm a property manager with Property Care, the same company that works with the previous speaker.

I wanted to talk about insurance costs

increasing, which has already been discussed.

One association that I work with has seen Insurance raised from \$12,000 for 33 units in 2021 to \$64,000 in 2024.

So it breaks down to go from \$30 in 2021 per homeowner per month to \$162 per homeowner per month.

Currently, that's in three years.

Another issue that comes with this is that we're getting very late notices of what the premium is going to be.

As was mentioned before, that short notice gives us not enough time to notify homeowners that the insurance coverages are changing a lot of times.

The deductibles are increasing with each renewal.

And so homeowners need to increase their own personal HO6 policy insurance to cover that difference.

So when we're giving them a week or two notice to reach out to their insurance agent to change their coverage, the ones that do are great.

But I believe there's a lot that are falling through the cracks.

I believe there's also a lot of homeowners that are not aware of HL6 insurance.

And what is needed in that policy.

We try to provide that information as much as possible.

It's in the annual meeting packet.

It gets sent out at renewal.

We mention it with every single spring reminder, every fall reminder, and explain to them how important this HO6 insurance is.

But yet we get to claims when the master policy has a deductible of 200 something thousand dollars and it gets split up with each homeowner.

And if they have the right coverage, that's covered by their HO6 policy.

But a lot of times it's not, which then leaves the homeowners responsible for tens of thousands of dollars if they don't have the correct coverage. So.

So I think just education, maybe a disclaimer in the disclosure certificate for resales, something that a homeowner signs when they buy into one of these homeowners associations, is that they are aware of what's required for an HO6 policy and just providing more information around that.

And yeah, that's what I want

to bring to your attention.

Sorry, one last thing was notice

requirements for increasing the monthly dues.

A lot of associations are coming into these

huge increases in insurance, and it requires them

to increase their budget to a point that

they need the homeowner's approval to do so.

A lot of times it's about 67% of homeowners need

to approve an increase that's over 5, 10% or so.

And so getting homeowners to go to a

meeting and approve that is very difficult.

I have not had a chance yet where I

did not get approval, but I know others have.

So then it leaves the board in a position

of going against the bylaws and doing something, buying

an insurance policy or increasing the dues to pay

for that policy, which would go against the bylaws

or they would not insure the units or they

would have to maybe take out a loan. But there's.

There's not much options if they can't

get that approval from the homeowners.

That's it.

Chair Bahner - 00:40:27

Thank you, Mr. Meisner.

I appreciate that.

And Sherry, Marcy.

Sherry Marcy.

[unintelligible] After I passed.

Okay, Come on up.

Well, welcome.

Testifier 7, Sherry M - 00:40:57

Thank you.

Thank you for having us.

My name is Sherry Marcy and I am part of

the Arden Hills North Homes association, which was the first

thing that surprised a lot of us because we thought

it was the homeowners association, but it's the Homes Association.

And now, since we've subjected ourselves in

its entirety to the Minnesota Common Interest

Ownership act, it's the common elements.

So we move down the ladders still further.

Still farther.

I have three.

Well, first I'd like to respond

to things I've heard because.

Chair Bahner - 00:41:45

Well, why don't you go ahead with your testimony first?

We can get to that.

Testifier 7, Sherry M - 00:41:53

Okay. I have three things.

The first one is the most

recent and the most personally injurious.

I was down in the lower level of my unit playing

fetch with my dog, and I heard a thud, and I

thought something fell, so I started to get up to see

what it was that had fallen, and bang, bang, bang came.

And my brain said, you need to move that way.

But my knee didn't get the message, and I

pulled a hamstring and damaged ligaments and tendons, and

I went upstairs because adrenaline kicked in, and I

didn't really feel anything at the moment.

And there was a man all dressed in black. No.

No badge or insignia or anything.

And I said, who are you?

And he said, I'm Russ from Rowcal.

And I said, did it occur to

you to knock before you started?

What he had done was banged the post that supports the little roof we have over our doors.

It banged it off.

And he said, I don't have to.

It's an exterior inspection.

And I was speechless.

And he said, you seem to think I may have damaged this so that I could repair it, because he was from the maintenance arm of Rowcal.

And I said, no, I just wanted you to knock.

People knock when they come to do service at houses.

And he says, but it's at the exterior, and, you know, it's a small.

It's like a step.

The four feet around.

Our units are ours.

He was in that space.

Anyway, I ended up going to the doctor and the urgent care and therapists and such things.

And it takes a long time to heal when you're as old as I am.

That's the most immediate one.

The second thing is, it turned out to be like
a spider web, all these entities that got connected.

And I sent the spider web that I ended
up making off to the lawyer who I thought
was supposed to be representing our interests.

And she was absolutely furious with me because I
had ended up with the Community Associations Institute being
the biggest spider in the web, and all the
service members, providers that we are paying to take
care of us being flies coming into the web. And.

And she said that, you know, we're all in this to help
you, and we know they're in it to make a profit.

And if they help us along the way, that's okay.

But how I first ran into Community
Associations Institute was when I reported the.

Our association is one of the ones that was defrauded.

And I reported that to the Attorney General's office.

I was on the board at the time.

I wasn't the president of the board or anything,
but I thought we should get some representation, that
somebody should be standing up for the homeowners.

And I reported it, and the Attorney

General's office, Jason Farrar, sent me a pamphlet, and the pamphlet was made.

I don't remember how it's worded.

With the assistance of

the Community Associations Institute. That was the first time I had seen it,

and now I see it all over the place.

They have a big website with their

business partners, and their business partners are

management companies, lawyers, auditors, insurers, realtors, builders,

vendors of all kinds.

And at the bottom of the business partners

list, it's now moved to the top.

But when I first found it at the bottom,

there was a disclaimer that said, just because somebody

is listed here doesn't mean we recommend them.

Or there were.

And then I found another page called the Mission

Statement, and that had a disclaimer that said, none

of the people that join the Community Associations Institute

are bound by the principles of the mission statement

and we don't enforce them.

So I thought that was a little strange.

And then I started investigating them,
and they started in Falls. Something. Virginia.

Chair Bahner - 00:47:51

Falls Church.

Testifier 7, Sherry M - 00:47:52

Falls Church.

And they are national and going international.

Like they've gone up into Canada, too.

So the next thing I found was

that our management company, Rowcal, has been
acquired by Morgan Stanley Capital Insurance.

So they tell capital investment. I'm sorry.

So they tell us, if you have

a problem, contact an attorney and.

And you'll get help.

Three of my neighbors have talked to attorneys, and each
and every one of them says we can't beat them.

And now that Morgan Stanley owns Rowcal, I'm
pretty sure that we still can't beat them.

Chair Bahner - 00:48:53

So if I can just understand. So I'm.

I just want to ask a clarifying question because I'm struggling with the issue.

So your.

You, your homeowners association, your property manager defrauded your association.

Testifier 7, Sherry M - 00:49:12

Yes, but that.

That was an employee of them.

That was the original one that we had.

That was Durand and Associates.

Chair Bahner - 00:49:20

Okay.

And you attempted to reach out

to the AG about the fraud?

Testifier 7, Sherry M - 00:49:26

About that, yes.

Chair Bahner - 00:49:27

And the AG gave you a pamphlet with information about fraud or about.

Testifier 7, Sherry M - 00:49:33

About the.

It was basically about how homeowners associations

were, you know, what our responsibilities are
living in a community and what the
board's responsibilities are, how things work.

Chair Bahner - 00:49:57

Okay so

Testifier 7, Sherry M - 00:49:57

And that was contributed to
by the Community Associations Institute.

Chair Bahner - 00:50:04

And that was given to you when you were
interested about the fraud because they wanted you to
understand what your next step steps could be or.

Testifier 7, Sherry M - 00:50:15

Yes.

Chair Bahner - 00:50:15

Okay. All right.

And then you received notification that you
Rowcal the company that owned the property
or was the property manager for your
association was bought out by Morgan Stanley.

Testifier 7, Sherry M - 00:50:32

Yes.

Chair Bahner - 00:50:32

And they suggested that if you were concerned about the buyout to contact an attorney.

Testifier 7, Sherry M - 00:50:39

No, no, that.

That the attorney was with the fraud.

Chair Bahner - 00:50:45

Okay.

Testifier 7, Sherry M - 00:50:47

The Morgan Stanley was just with our new.

Chair Bahner - 00:50:52

Okay.

Testifier 7, Sherry M - 00:50:53

Managing company.

Chair Bahner - 00:50:54

Okay. All right.

So the new management company is Morgan Stanley, but

you went to an attorney to ask them questions.

[crosstalk]

Chair Bahner - 00:51:08

because you were concerned.

I'm not sure I understand.

Testifier 7, Sherry M - 00:51:10,055

Okay And that's where the Minnesota Common
Interest Ownership act comes in.

Because we had an election.

We were built in the 70s and law doesn't
apply to us, to anybody built before 1994.

And the election is.

And that's my third thing.

The election rule was that up to that point,
if you didn't vote, it counted as a no.

But now under the minute, if we
subject ourselves entirely to the Minnesota Common
is, then it counts as a yes.

So we have the election.

They never told us the number results.

They just said it had passed.

And at one meeting, they said they didn't
even need to count the nos as yeses.

It had passed with a two thirds vote all on its own.

And we.

We've never seen any evidence of that.

The votes were sent to the lawyer,
to the law office and counted there.

And no number was ever reported to us.

Chair Bahner - 00:52:36

Okay.

All Right.

Thank you, Ms. Marcy.

I appreciate it.

I did.

See, I'm not sure if there's anyone else in
the room who would like to testify tonight.

If you have would like to testify, but not are
not signed up on the list, please come forward and
we'll make sure you get on the list.

There's one also on the side.

Okay.

And we'll check the side to make sure.

If there's anybody else it.

[background noise]

Chair Bahner - 00:53:45

Okay.

All right.

Roxanne?

If you want to go ahead and state

your full name, your affiliation, if you have one, and what association you're with.

Testifier 8, Roxanne W - 00:54:10

Sure. What city? Sure.

I'm Roxanne Williams.

I'm in Otsego.

I'm the secretary of the board at Villas at Pheasant Ridge and first of All I'd like to say thank you for

the ongoing support and the help that you're giving.

It's really, really appreciated.

And I didn't intend to get up and speak today, but I decided to in light of a few of the comments that Ms. D made.

I'd like to elaborate on a few of those.

She had mentioned that there is a new clause on their insurance policy for employee theft.

And when our property management company came on board three years ago and they brought on board their favorite insurance agent.

And so then we had a new company, new agent, and then there was a change to our policy and it's a dishonesty clause.

So they can be dishonest to us.

And it does say specifically the property management company is included.

They're covered.

So they can be dishonest to us.

They're covered for it and we pay for that.

We pay for that coverage.

They should not have to pay for the employee theft.

That is so wrong.

I, I don't know why they would expect us to pay for that.

That's not for us to do.

And also, Misty also mentioned revenue sharing and kickbacks.

And I've been, as I've been investigating this whole industry and all of the gross improprieties for over a year now.

I've been thinking there must be something like that going on.

It's always behind the curtains, you know, behind the scenes that they don't openly talk about.

But I thought there must be something going on.

And in fact there was something that happened just

a few days ago you might all know about

the Dutch Knoll situation that's going on right now.

And they had a meeting a week ago and I attended that.

And it was eye opening because they

had an attorney there representing the hoa.

They also had independent insurance adjuster.

The board was there, the property manager was there.

The only person who spoke was the attorney.

And nobody else said a word.

It was interesting then at one point, and

then they did allow us to ask questions.

But at one point one of the residents

said, so about that independent insurance adjuster, what

kind of a commission does he get?

And the attorney said, we're not

going to talk about that.

So that confirmed for me there is this going
on that I didn't know, but I suspected.

But then it was also interesting too to hear them talk

about in this particular situation, or let me back up.

In my case, when we had our

roofs replaced last fall, our management company

used their own construction company.

No competitive bids, total conflict of interest,
in my opinion, in this particular case. At Dutch Knoll.

It's a different construction company
than the property management company.

I'm not aware, and I didn't investigate a lot,
but I'm not aware that they're affiliated legally.

But so, first of all, in checking
out that construction company, it was interesting
to see that they're located in Hastings.

So why would that be in the best
interest of the residents in Rogers to have
a construction company in Hastings, 60 miles away?

So then I thought, clearly, it must
be that they're subbing it out.

They're hiring subcontractors, adding
their markup onto it.

So right there, there's additional costs to those
residents that should not be taking place.

But then it was interesting, too, that with that
supposed separation, they fought so hard, that attorney fought
so hard to make sure that this all comes

through, and fought at that meeting.

And just being offensive to us, I

thought there must be something to it.

There must be something more to it

than just simply wanting to ensure that

their property is properly maintained.

There's behind the scenes, I think, much more

going on than we're even aware of. And I.

I suspect it would probably be appalling

if we learned the truth about it.

And I think that might be the

only comment I had about this.

Yeah, I'll.

I'll end with that. All right.

Chair Bahner - 00:58:27

Thank you, Roxanne.

Testifier 8, Roxanne W - 00:58:29,270

Thank you.

Chair Bahner - 00:58:30

All right.

And did we have anyone else that would like to testify?

Somebody in the back, maybe?

Yeah, I think so.

Your name is.

[unintelligible]

Oh, yes. Linda?

I had checked up.

Come on forward.

Your name is Linda Padgett? Yeah. Okay. All right.

Sorry.

I think it got accidentally checked

off that we'd already heard.

Oh, my apologies.

Sorry about that, Linda.

Testifier 9, Linda P – 00:59:11

No, it's okay.

Chair Bahner - 00:59:14

But we. We appreciate you coming all this way,

particularly since you came from Eagan.

Testifier 9, Linda P - 00:59:21

Yeah, it wasn't as. I have to use.

Do I have to use this?

Chair Bahner – 00:59:25

So if you would. It's helpful.

And again, partially that.

So that everyone in the room can hear,
you know, in case someone's a little hard
of hearing or things like that.

We try to make sure.

And also so that the recording gets Captures.

All of your information as well. Okay.

Because we do, again, put that out there publicly
on our website so that folks who are not
here can listen to that and hear.

Hear the contents of this meeting.

Testifier 9, Linda P - 00:59:52

I get it. Thanks.

Thank you very much for listening to me.

You see, where I live in my condo, but

I've been experiencing four years, secondhand smoke, and now

I've learned more about thirdhand smoke, and I've worked
with Smoke Free Living, a nonprofit organization that works
with properties to help them adopt smoke free policies.

Well, I brought, I had the boards, you know,
they had them speak at our property, our board

meetings and little was done over the years.

They had took, they had some policies in places

where some of the areas were smoke free but

it didn't completely take care of them.

They grandfathered and grandfathering in does not help.

And it's, it's difficult to breathe in that air on

a regular basis just to have walk your own property

and breathe that in and nothing is done.

And it's, I've written to the city

of Egan, it seeps into my.

It can seep into your units. It can breathe.

The US Surgeon General has warned there's no

risk free level of second smoke exposure and

it can cause serious health problems.

And I can, I'm concerned about the long

term health effect of breathing secondhand smoke that's

been seeped, that can have seeped in my

unit into my building for years.

I'm not in a position to be able to relocate now.

Center for Energy Environment found that secondhand smoke

can easily travel from unit to unit.

There's no way to fully seal a unit from exposure.

I've done everything I can to improve my situation,
including attempting to negate the smoke, holding my breath,
walking the halls, working with neighbors and trying to
get support from the HOA board and previous property
management companies and it has been unsuccessful.

And I've been trying to protect myself
and the Minnesota Clean Indoor Air act
excludes rental and common interest community CIC
units from clean indoor air protectors.

It is up to rental properties or CICs
to adopt their own smoke free policies.

But many do not or do
not effectively enforce their policies.

That's the problem.

If, even if they adopt a
policy, are they enforcing them?

That's where a state level, just like
they're dealing with, they're only focusing on
cannabis, they're not focusing on cigarette smoking.

Cannabis is a big thing.

But that secondhand smoke is smoking cigarettes too.

The smoke free policy does not apply to

all units because we have grandfathered units.
But then people here smell smoke,

they think that they can.

And then you're calling and I mean

you're reporting smoking all the time.

That's not your job to do that.

And then California has adopted a multi

housing housing to smoke free city ordinance.

So that is very good.

But I did write to the city of Eagan.

They didn't really do anything Lip.

Smoke free has worked with me and

now some things have happened like HUD

housing has 2018 adopted smoke free policies?

Well, they did it and the American Lung

association was waiting a decade for that.

And then I guess that's pretty much it.

Thirdhand smoke is a very big concern for

our property and other properties because it's such

a huge something that's being studied more and

it gives you the same type.

If you look it up, it's just really bad because when

you have like buy a house, you have to really gut

that house out and clean, get that all out of there.

Well, we have units literally for years

that have had been smoked in.

And when you tell someone not to smoke anymore, if

they're done with it, you can still smell the third

hand smoke and you're getting third hand smoke in your

units and that's just really not good for resale value.

But it's just all bad.

And I would just wish that the state would do something because they're looking at cannabis, but it's not going to be serious for what do you call it?

State board of presidents and property managers.
Because they change, they turn over.

You know how they have new ones and then they're going

to make new rules and they don't want to do that

work and then you're constantly on a battle with that.

So it'd be nice if it was a higher position.

City wise.

It's not working.

State wise.

Minnesota would be really cool if

they could do something like that.

We took it out of the restaurants.

Why can't we be living smoke free in
our own units when it's so bad? There's so much.
And Minnesota Smoke Free is a very
good organization, but they have their hands
tied because they can only educate.
And that's it. Thank you.

Chair Bahner – 01:04:57

And so Linda, just to be sure, you are from Eagan.

Testifier 9, Linda P - 01:05:02

Yeah.

Chair Bahner – 01:05:02

And you're with at Coachman Oaks.

Testifier 9, Linda P - 01:05:03

Yeah.

Chair Bahner - 1:05:06

Okay. It's your association.

Testifier 9, Linda P - 01:05:10

Okay, thank you. Thank you.

Chair Bahner - 01:05:10

All right, very good.

And we had one more individual.

Did you want to testify?

[unintelligible]

Chair Bahner - 01:05:24

If you, if you wanted to.

I thought we had someone else that

was not down that wanted to testify.

Is there anyone else in the room before we go to Mr.

Heller?

Come on up.

[unintelligible]

Chair Bahner – 01:05:50

All right, again, please, if you have not already

signed in, has one of you sign in?

Secondly, if you could state your name for

the record, what city you're from, what homeowners

association you're with, and if you have a

property manager, please disclose that as well.

Testifier 10, Joanie E.W. - 01:06:06

Yes, my name is Joanie Erickson Wiesenflew.

I live in St.

Cloud, Minnesota.

The homeowners association is water's edge at Donovan

Lake, minus a lake because we built in

2006, they promised a swim up beach over
150 acres of parks and open spaces.

We were told that after our developer
went bankrupt by the city of St.

Cloud, Matt Glassman.

He's the planning and zoning that any
developer would have to develop as promised.

However, there's no cap on that promise.

So we could be waiting 20 years.

20 years later we end up.

So we haven't had an HOA the whole time.

We haven't had to pay for
anything because we haven't had amenities.

All of a sudden, an individual, which I will
be discussing paywalls tomorrow because it would appear that
I ended up finding the evidence where our states
and municipalities, literally after the bankruptcy, our developer had
handed our community for free to a foreign developer
that didn't actually exist.

The name is Regional Properties Incorporated.

They show up on SOS Paywall Records 11508.

However, they were there pretty much just to

quitclaim deed fraud the properties and then sell them to the entity that is suing us.

Another foreign corporation of about 130 members.

I can't mention their name because they're suing me for defamation.

Sorry, I have PTSD. I forget.

Chair Bahner – 01:08:03

That's okay.

Take a deep breath and go ahead and continue.

We're all friends.

[crosstalk]

So you were saying that the developer had a bankruptcy and then those.

The management of that development was

[crosstalk]

sent over to someone else.

Who found out, being a foreign company.

Testifier 10, Joanie E.W. – 1:08:32

Yes, so in 2007, they filed bankruptcy.

They didn't let anybody know.

And then in 2008, this RPI

shows up in our property records.

They could claim, defraud the properties to themselves, the county and city approve it, and then they end up transferring those properties again to the person that's suing us or the foreign corporation that's suing us, and then they withdraw from SOS.

So in total, RPI existed legally for 12 days, but they didn't exist until 18 months after they deeded the property.

Not only that, David Kane appears as the VP of RPI.

He also notarizes the purchase agreement with the entity that is suing us, which is, I'm told, notary fraud.

And also the purchase price for an entire defunct community was \$9,900 for a lake community of about a hundred, a couple hundred lots.

So we pretty much had nobody, no neighbors or anything for. For about 18 years.

They just sat on him and what he did over this time was, it appears, create a bunch of straw companies.

They would come in and try to, you know, strong arm people, force us into an hoa.

And people would reject.

We have no amenities.

Why do you want two HOAs?

They tried to bring in

Omega Property Management in 2022.

I rejected, requested all the information,

got a bunch of other neighbors.

We requested information.

They instead just disappeared.

Then that same developer goes and brings in

a bunch more of his companies from Oregon.

And this time comes with first Service Residential.

And they began billing Everybody.

Strong arming U.S.

attorney letters, you know, the whole nine.

We're requesting information.

I spend about a year and a half

with an attorney trying to pursue HOA records.

I never do get election records.

In the end, they actually tell us they don't exist.

My attorney withdraws and says it's all fraud.

We've recorded all this stuff to the Attorney

General's Office, Department of Commerce, Consumer Protection, ftc,

usps, oig, all the usps, because we had
our mail actually tampered with.

We had a whole bunch of things.

They've done selective enforcement.

The city participated with
them with selective enforcement.

They also falsely charged me in January of
2023 and destroyed my house in August of
2023, displacing my family for 10 months.

And it's because in 2019, I think
somebody provided me with some information.

And I didn't know that that's what it was.

So I started talking about paywalls, things like that
that he had told me about, and started finding
what he had warned me actually there.

So in 2019, my mortgage loan officer, which I didn't
know outside of our loan, 2018 and 2019, he called
me 2019, he had already retired and he was warning
me of this developer who we're now at war with
years later, right, Having a mafia of people.

We didn't know what the mafia reference was.

He said the city and county were

coming for us if we didn't move.

And we found out that it's because we're the last

Remaining residents that were promised all of these amenities and

they want to develop a thousand houses instead.

5,000 a month per house for property taxes.

You can do the math.

We are a conflict of interest to our own state.

It's a government lot.

And we actually have all the paywall evidence from Land

Shark and ARCA Shark, or I mean ARCA search.

Anybody here who has suspected fraud, I would.

Or any municipal involvement, I would absolutely

recommend you find Landshark for your.

Your community property records.

You can find a lot of information in there.

For instance, that's where I found.

Our government gave us a way to a foreign corporation.

And I bet you could guess where that leads to.

So I would like to.

I'm here today because I would like to provide you all

of that evidence for you to provide to Janet Yellen.

I think that some of these communities

could actually help fortify that CTA.

[background noise]

Chair Bahner – 01:13:27

All right, before we get to Mr.

Heller, is there anyone else who would like

to speak about their HOA or CIC?

Again, I want to be very cognizant of the

fact that many of you have traveled through snow

and ice and the cold to get here tonight.

I really appreciate that.

It is a lot. There was a ...

We contemplated for a moment, because of the

weather, whether we should cancel, but this was

already public notice was given and I wanted

to make sure that those folks who.

Who had a desire to testify

had the opportunity to do so.

So I made sure that I got

here early to make that possible.

And I want to thank our members

here at the table as well.

We have had more members in the past, including Vice Chair Lucero, but unfortunately, because of weather and other things, they were not all able to be here.

But again, this is recorded.

We make sure that all the members get a copy of that that is also publicly available on the website.

And with that, before we do our closing, I will have Mr.

Heller come up.

Mr. Heller, good to see. Alright.

Testifier 11, Rick H - 01:14:58

Thank you, members.

I see there's three members here tonight.

I don't know if the others are listening in.

It's hard to know online.

It says N A.

Apparently it's being recorded.

Didn't say that, but I guess we'll

know when you put it out.

My name is Rick Heller.

I unofficially represent the twice exceptional Minnesota statute with

2015, also known as the Senate File 2694 from

this year or House File 3299, and then unofficially represent the people with print disabilities.

Last year, the governor changed the word handicap extra blind to print disability.

You can find again the bills for this two sessions at House or House File 5487 for the print disabled and 5299.

You'll find a language change in that bill.

Again, thank you for letting me come and testify at the.

And ask that the record reflect that that's important.

Also the.

The working group here for common interest communities, which is cci.

I think I'd likely better fit those than the homeowners association.

I as well probably speak on their behalf unofficially.

So there's things to consider when writing contracts in plain language.

That's the state law, state agency have to do that.

And if there's a glossaries, there isn't references to statute. So people.

So people can understand that.

I think you could ask these two groups,
associations, whoever they are, communities that they provide
a glossary summary for plain language.

Because contract frankly is for the people that
run that business, not for the public.

It's legal jargon or definitions and makes it quite
hard to understand that also how fully accessible.

How fully accessible are these documents for the public
image format according to HUD and then the Minnesota
Housing Department and maybe Department of Commerce.

Do they get involved in determining that? They don't.

You can certainly inquire, you know, trust
but verify what I believe HUD does.

There's a process there.

So you could ask HUD or maybe
the Minnesota Department, Housing, Department of Commerce
to maybe do some rules on this.

Let the public give me more feedback
on how they should develop these documents
for people that may not review them.

I say the review not read because the

Adobe Reader reads out loud for a reason.

In 2001 and in 2008 the foundation of the Blind
got involved based on the PDF metadata they mentioned.

Best for people with dyslexia and print disability.

Just who are they?

I think it doesn't make you a lesser person.

In fact, in 2018 the smartphones were mandated
by the Federal Communication Commission to read out
loud and follow what the legislature did decided

to do in October of this year on

web content accessibility guidance provide more opportunities and
valued feedback to the public.

As far as the Andrew, usually the LCC, the

Legislative Legislative Quality Commission which is Andrew is.

And they're helping you develop this.

You wouldn't know that if you look at your handouts.

LCC is hidden in the logo up

above when you do a reader.

I thought that was kind of interesting.

They hired over 10 staff because of this

accessibility for the next 10 years and bringing

more transparency and getting accessibility to the public

to be engaged in a value process.

So I'm going to ask and maybe it's a special request but what happens with these streams that are put online only audio that asks that you include a transcript for those individuals that can require not just one way but both ways.

That's universal design access.

So something I consider.

It'd be a new step for the LCC to consider that as we move ahead on digital accessibility.

There's many audios online from the past but they not have to follow Minnesota Statute 16E03 Subdivision 9 which state agencies need to do.

Chair Bahner – 01:19:44

Thank you Mr. Heller.

And by the way I have actually already been talking to staff about if we have some AI tools that could actually translate the recording so that transcript could be available as well.

So we are thinking on the same page.

Testifier 11, Rick H - 01:20:00

That's right. And one thing I believe it was Senator Hoffman

that brought up the smoke detectors or the.

I'm sorry the carbon monoxide detectors

I spoke to this is.

Wouldn't you say that maybe you want

to strobe on those too for those.

I believe it was for hotels or something.

And how does that fit into accessibility

and the requirements for these individual privates?

In fact this year Attorney General U.S.

attorney General Garland standardize the what the legislature

is doing Web content accessibility guidelines and 508

the 1973 Rehabilitation act for title two so

and that's a rollout for the next two

three years based on employees.

But again title two likes could be according to

what I understand is the townships, cities, school districts.

I'm not sure about that but

I thought that happened earlier.

But anyhow how does that.

When we engage in the community effectively people lose

some of their sensors as they get older.

Let's provide it in a different another one more way.

It's a multi sensory experience frankly get to see it,
you get to hear it, get to feel it.

Tell me a simple YouTube that
don't have captioning though anyways that's.

That's trust but verify some of the suggestions I made
today and I guess I didn't give a description of
me so I'm gonna give a narrative because you only
have a stream so I'm a white male with a
beard, camouflage head about 6 foot high with a checkered
red shirt on just again because people will not know
necessarily who's talking but it's important that in these meetings
that they use rules back and forth so people know
who's speaking on a transcript or the well there's or
in a meeting as you know on the floor the
chair always address reaching the visual articles back and forth
so people can kind of.

The narrative is already built in there
something to consider and one final thing

I want to make crystal clear here.

Currently the House and Senate rules joint rules as
well are silent on plugin on digital accessibility.

The LCC doesn't have governance over those rules and

these committees likely are going to use some form of procedures and guidelines that direct these meetings and the working groups included not just commissions but but may consider having a bill out there Again for joint rules regarding plugging in accessibility, because LCDC does one thing, but how it happens functionally in each committee is another.

And currently they rewound the clock on October 15th when they decided to give an exception to allow struck through an underlying language which was clearly fixed in 1516.

And the bills do not become fully accessible that year until they get an HTML format.

And if they introduce the bills in committee, they're not fully accessible for the public.

So they bound the clock back even with an exception but no rationale.

So that's up to the leadership, if anybody's listening to this, to move that forward.

I don't, I don't write the bills.

I may give them a story and then they write a bill and obviously the leadership decides to do that.

Chair Bahner – 01:23:36

I appreciate that. Mr.

Heller, do you have any other specific commentary based on the topic of the meeting for today? On CICs and HOAs?

Testifier 11, Rick H - 01:23:48

Well, the question I have, I know the homeowner

association, there was a huge federal lawsuit that they

had to knock those third parties off because they

were charging so much extra interest or fees to

that because of what they were doing in Europe.

And I would think that the

homeowner association did the handshake.

It was about a five year lawsuit.

I don't know if that's going

to be relevant to discussion.

But again, that's for people being able to get

the housing affordable for, you know, the war in

poverty, economic disadvantage part of the American dream piece. So I

Chair Bahner – 01:24:27

Thank you for that. Mr. Heller

Testifier 11, Rick H - 01:24:30

There's one more thing.

Chair Bahner – 01:24:33

Okay. I do want to make sure as we're talking,

just if you don't mind, since we're at that

point, I do want to make sure that there,

that folks are aware that there is an upcoming

session for the work group which will specifically be

discuss civil rights, disabilities and housing affordability.

And that session is coming up.

I don't know if we have the date for it,

but again that will be published on the website for

all of the public to see well in advance and

give all of the information around that.

And before we close, I will give that URL

once again for where you can find that information

as well as reporting from tonight's session as well

as the one in Maple Grove and all of

the successive meetings that are out there.

There are recordings available out there

for each of those meetings.

And there was one final comment that

you had before you wanted to wrap. Mr. Heller

Testifier 11, Rick H - 01:25:28

Yes, chair, maybe two or one and a half.

So Ms. Urich the LCC director or Ms.

Weber Prior, she made it pretty crystal clear

that third party documents that some legislature are

offhand because they can't really manage that.

However, they do come through the LCC

now and they're not manually checking.

The one dated December 19th from Dr.

Laurel doesn't read that whole document out loud.

I don't know if anybody even

actually man will check it.

But if you want to check

your documents, actually you can.

I can correct them even if

somebody doesn't know about accessibility.

And it's running through the lcc, the edge reader that I

use also you can use Adobe, which reads out loud.

Chair Bahner – 01:26:16

The letter that you're mentioning from Dr.

Laurel was that one of the testifiers for

before the CIC and HOA for today?

Testifier 11, Rick H - 01:26:24

For today. That's posted online today.

Chair Bahner – 01:26:26

Okay, All right, I will check into that.

Testifier 11, Rick H - 01:26:28

And one other thing might consider frankly, just

be automatic and have a stream, not just

audio because now you're meeting a policy or

fidelity with what you do at the legislature.

In fact, the LCCMR, which is the Lotto

group, do that when they do group meetings.

So that's just a suggestion.

Fidelity and consistency would be helpful for

the overall view about transparency and accessibility.

Thank you for the opportunity to speak and I'm

open to any questions if anybody has any questions.

Chair Bahner – 01:26:55

I appreciate that. Mr. Heller.

I do want to mention openly for folks here that

these sessions are not necessarily part of the working group.

We have no budget for the

working group to do these sessions.

We are doing these sessions at the chair's insistence because I feel that it is very important to go out into communities and to hear from people in those cases communities directly. That is why we have an audio only recording.

We do not have a live stream.

We don't have any staff that actually knows how to do that.

So but we are working to translate the or transcribe the audio files for folks who may need them or who may need to have a visual rather than the audio.

So we have been thinking about that, Mr.

Heller, but I just want to make sure that folks are clear that this is not a legislative meeting.

There is no legislative business before us tonight.

So there is no open meeting requirement.

But we are doing it because I think it's really important that the stories of folks in this room get heard and that it be considered for those other members who can't be here tonight as we think about recommendations on reforming the law around CICs and HOA.

So I just want to be very crisp clear about that.

Testifier 11, Rick H - 01:28:12

Thank you, this is Rick Heller. Again, the legislature

isn't exempt from data practice here or there.

It doesn't matter but it's at the discretion of

the legislature, the LCC and perhaps the chair on

how they want to lay that out.

And she's very correct.

But they're gathering information because

they value the public feedback.

And I appreciate that.

So my hat's off to the volunteer aspect of it.

People wouldn't know what you said.

It doesn't actually spec it anywhere.

I think it's important that people know that isn't

just that some are getting a salary all year

and some are not, but people are willing to

come here and have a voice.

And thank you again for the opportunity to speak.

Chair Bahner – 01:28:55

I appreciate that, Mr. Heller.

And you are right, we are technically

not in session at the current moment.

So these chair duties and the members of the committee or the work group rather, and the staff are all here of our own volition.

So staff does get paid year round.

But the rest of us are here of our own volition as volunteers and choosing to come out into the communities to make sure that those voices get heard.

So I really appreciate that with that.

I do want to kind of close out with some housekeeping here.

I think we had everyone that testified today who did sign in on the sheet. Thank you for that.

We so appreciate it.

And then I did also want to mention there is a meeting tomorrow of the work group.

Tomorrow's COP work group is around.

Excuse me. Thank you.

Tomorrow's work group topic is to talk about sort of community living and community standards, best practices, things like that.

So we'll be talking a little bit about that tomorrow.

The last and final work group meeting

of the session is again around talking about civil rights, disabilities and affordability for homeowners associations and interest communities.

That will be the final one.

And then there will be two final sessions that will not be open to the public per se, or we will not hear any testimony.

I should clarify as working group sessions to get all of the recommendations from the working group in order and get the report submitted, which is due before the end of the month for the legislature.

I know also that several of the members of the work group are currently working on legislation.

There are several bills that will be coming forward next session.

In particular, there is one out there already on an office of the Ombudsman to help with some of that sort of third party mediation type thing and working through some of that.

And there is a larger bill and very likely some smaller bills coming forward to talk about things like conflict of interest, talk about

licensing and registration versus associations, talk about reasonableness, standards and clarity around fines and fee schedules.

There's also some information around dissolution of associations in there as well as some clarifications around foreclosure as well.

Those are all topics that I know will be covered for sure in the legislation that is coming forward.

Any piece of legislation that comes forward is a work in progress.

It takes time and effort to vet those and hear from the public, hear from members of the community, from all sorts of impacted stakeholders as we get those ready.

But please do know that those will all likely be in a future bill.

And they all of those pieces are reflections of what we've heard already in the workgroup and sort of the the common themes and common elements as well as the recommendation recommendations that have come forward so far.

And I'm sure as we hear new ideas, we will certainly incorporate them as well.

So I do want to thank everyone for being here.

Roxanne, did you have a question real quick

Testifier 8, Roxanne - 01:32:19

Real quick when so we talked about future legislation and future bill, can you just elaborate on kind of time frame what your guess would be? Is it this year 2025, 2025 or what's your thoughts?

Chair Bahner – 01:32:29

Well, we will we are planning to have a bill drafted and ready for hearings this year. The Ombudsman bill is already drafted. There may be some changes to that bill based on things they may have heard during the working group. But that bill is already in the process of being redrafted to be introduced at the beginning of session. For folks who are not familiar with the legislative process, every two years is like starting a new monopoly game, right? You have to start at go once again, which means any bills that didn't pass in a previous session have to be reintroduced and they have to go through being redrafted. That begins the process all over again of walking through each and every committee that pertains to that

bill where they heard in a public forum so that testimony can be given by stakeholders and the public and all of those that are voted through the committees until they finally get to the end and can be voted on there at that time.

We like to align with our partners in the other body, both Senate and House.

If there are differences among two versions of a bill, then those will be worked out generally in what's called a conference committee.

You might say it's arbitration for legislators to decide what should and should not go forward in a final bill.

And once an agreement is struck, then those bills go back to their respective bodies to be approved by the full body.

If both bodies approve and vote yes on those bills, then ultimately they will go to the governor for signing.

So that's kind of a quick version of how that process process works.

But we do anticipate having some versions of a bill ready at the beginning of session.

I can't say exactly.

It depends on how much work the revisors and research have on their plate and what's in the queue before us.

But I do have some draft language that I'm hoping to get to them shortly to start that process so that we can just work on revisions and get that done and have it ready before session. So.

And that will coincide, of course, with the final report and let the list of recommendations from the work group based on testimony we hear from all of you, as well as testimony that we've heard from all of the working group sessions.

So believe it or not, all of your testimony really does help us a great deal in shaping that legislation and hopefully thinking of things that we may not have considered.

So it really is valuable to hear your stories and your experiences.

So I do want to thank you for coming out on this cold night to do that.

It is so valuable.

I also want to call out one special guest star.

In the audience tonight we have Representative Hemingson Yeager, who is here this evening who lives nearby.

She may in fact be your state representative and she has drafted some legislation in the past around HOAs and CICs.

In particular, things like solar panels, the ability to have a child care in single family units within an hoa, things like that, as well as work around foreclosure.

So I do want to make sure that folks are aware that she is here today if she is your state representative, that she is listening in and taking copious notes for the future and she may even carry a piece of the legislation going forward.

So thank you for being here, Representative Hemingson Yeager.

With that I will reiterate that all of the information from tonight's audio files and hopefully a translation for fairly soon, a transcript and all of our Future meetings, recordings, etc.

Can be found by going out to our working group website, which is www.lcc.mn.gov cichoa and there there is also should be an opportunity to receive future

notifications about upcoming meetings as well.

With that, I want to say thank you all for

coming and braving the cold and cold hands, warm hearts.

Thank you for being here.

Have a good night.

With that we will close.