

Testimony on SB 2394

Alec Grande

District 11

I am writing today in support of Senate Bill 2394. Many associations in Fargo are small communities and will benefit from this increased guidance this bill provides. A few years ago, I moved into a small HOA community (12 units consisting of 2 townhome buildings). One of the first concerns that came to light was the association's reserve funds balance. As a result of my educational history and as a homeowner I knew that I needed to have personal reserve funds in the event that a major repair was needed. The first winter in my new house we experienced severe ice dams which caused damage to several units in the association. It became apparent that there was a lack of communication within the association which led to me becoming the association, President.

It took me 6 months of attending meetings with the property management team and the insurance agent for the association wide policy to get an understanding of the state of the association. As part of this we determined that a new roof and gutters were required to reduce the risk of future ice dams. When the assessment was announced there were a few homeowners that didn't have the funds needed for a roof replacement (Thankfully I had saved funds independently for this project). Due to the limited funds the association had in reserve those units did not end up getting their roof replaced.

We now have some unit owners with new roofs and others that don't have a new roof. If we were to force those homeowners to pay the assessment, they would have likely needed to sell their home to pay for the assessment or the project would be delayed potentially leading to leaks in homeowners' units. The best case scenario would have been for the association the required funds in reserve before the project started. This legislation provides better guidance and will put weight behind me to help get the association's funds to a more fiscally responsible position. Increased transparency on the financials is another key to protecting associations into the future.

Thank you for your time,

Alec Grande