

Why is the PAHA monthly invoice increasing from \$375 to \$525, effective July 1, 2025?

Park Avenue HOA, or PAHA, is required by both state law and our documents to carry insurance. All HOA's in Minnesota are experiencing *significant* large increases in insurance premiums and difficulty in obtaining adequate insurance coverage.

In 2024 our insurance cost us \$90200. The Board estimated a 2025 increase of 32%, or \$119024. We adjusted the monthly insurance assessment accordingly, effective July 1, 2024.

In April, 2025, we received our renewal notice with an invoice of \$145520, an increase of 62% (assuming we paid in full by May 1, 2025). The insurance savings account had accumulated \$129400. We "borrowed" \$16120 from the operating fund to pay the 2025 insurance bill. That \$16120 needs to be repaid to the insurance fund.

To prepare for the April 2026 insurance renewal, the Board is estimating a 30% increase in the premium, to \$168980. Allowing for the May and June 2025 contributions to the insurance fund, we need to raise the insurance billing to \$313 per month to be prepared to pay a higher premium by May 1, 2025. We are adding a \$15 per month additional insurance fee to gradually pay back the operating fund loan within the next two years.

	Comparison of Association Monthly Billing 2024-2026					
	July 2024-June 2025			July 2025-June 2026		Notes
Operating Fund						
Monthly services, maintenance and repairs	\$167			\$175		
Monthly transfer to Reserve Fund	\$21			\$22		
<i>Subtotal-Operating Fund</i>		<i>\$188</i>			<i>\$197</i>	(1)
Insurance Account	\$187			\$313		(2)
To repay 2025 operating fund loan				\$15		(3)
<i>Subtotal-Insurance Account</i>		<i>\$187</i>			<i>\$328</i>	
Total monthly invoice per unit			\$375		\$525	(4)

Notes: (1) Increase subject to 5% cap in 2024 and 2025. Operating fund increases annually due to higher costs passed on to us by our suppliers and contractors and as our 1979-built buildings age and require more upkeep. (2) Insurance increase is based on the Board's best guess on what next annual renewal might be, based on previous history of premium increases. (3) See explanation above data table. (4) "Unit" means one individual twinhome. Each unit in PAHA has a unique street address.