

CAUSEWAY ON GULL ASSOCIATION, INC.
2021 ANNUAL OWNERS MEETING
November 14, 2021
Grandview Lodge, Nisswa, MN

1. The meeting was called to order by Association President, Steve Wagner. Also present from the Board were Roy Jensen, Daryl Luthens, Chuck Standfuss, Denny Steele, Doug Weber, George Deliduka, and Rob Hanson. Pat O'Hara was absent. Jim Leukam, Doug Johnson, and John Zimmer were present from the Ad Hoc Committee. Sue Brennan was absent. A sign-in sheet served as roll for the audience. With those in attendance at the meeting, along with the proxies that were received established a quorum for the meeting.
2. A motion was made and seconded to approve the minutes of the November 15, 2020. Annual Meeting. The motion carried.
3. The President's report was presented by Steve Wagner:
 - A. Steve thanked everyone for attending the meeting and introduced the other members of the Board. He mentioned that he will be stepping down from his Board position because his term limit has expired, but he will be moving to the Ad Hoc committee, so he will still be involved with the Board and Causeway. He explained that the Ad Hoc Committee is good because it gives owners the opportunity to see how things are run.
 - B. The results of the survey were interesting. There was about a 50 – 50 split in the number of owners that ranked internet #1 and those that ranked it #5. Getting internet to rural areas is included in the proposed infrastructure bill so there might be some government dollars to help with costs in the future. He explained that replacement items like furnaces etc., and utilities, which are the unseen expenses that also continue to increase and deter spending money on things like carpet etc. This is why there was discussion regarding levying a special assessment for specific items.
 - C. Several owners have also contacted him and the Board asking to deed back their timeshare interval. It is the Board's responsibility to maintain the owner base and not take back intervals as it puts the burden to pay expenses on the rest of the owners. The Association document put that fiduciary duty on the Board.
 - D. Improvements to the dock system were completed this past summer. Phase 2 will hopefully begin next spring or summer.
 - E. Steve encouraged owners to take advantage of Bonus weeks.
 - F. Steve explained that CGVI Holdings was created to help clear up deed issues for owners as well as the Association so they can be sold.
4. The Treasurer's report was presented by Association Treasurer, Doug Weber:
 - A. The Finance Committee met and set the 2022 budget at \$795. When setting the budget, the Board kept in mind the number of owners who are always requesting that fee stay stable, as well as other factors such as the many needed improvements.
 - B. A sub committee will be formed to review the survey results for discussion at the Board Meeting in January. All items will be considered, and the Board will do their best to consider all factors in trying to please as many owners as possible.
 - C. \$100,000 was spent on capital improvements in 2021 which included the Association's portion of phase 1 of the dock project. The Marina and Gull Five units did pay their share of the project.
 - D. Steve explained that Causeway is a Legacy Resort, which just means that it is an older property and the upkeep obviously costs more than the new resorts.
 - E. Steve also encouraged owners to take advantage of the Bonus Week program. Owners can reserve weeks for their family and friends. He also encouraged owners to join the Ad Hoc Committee. It is always good to have new members on the committee.

5. The Management report was presented by Neal Narveson:
 - A. Neal clarified that when the Finance Committee met to set the 2022 budget, they also considered that the lease for the golf cars ended when leaving the budget the same, so extra money would be available for other expenses. The Marina lease would increase too, so there would be some additional revenue as well. The national average maintenance fee for a two bedroom is currently \$890.
 - B. Neal explained the differences between the operating budget and capital improvements.
 - C. The contactors worked hard to get phase 1 of the dock project completed. He explained that the lease with the Marina used to be about \$40,000/year but a couple years ago it was renegotiated, and they will pay \$87,000 in 2022. Although some owners may not think the dock is important, the additional Marina revenue had an impact on the decision, and it is the Association's responsibility to keep the docks safe.
 - D. Neal explained that the original developer left behind about 600 intervals that the Board had to deal with, as well as many encumbered deeds. Much money has been spent to fix those problems. When those problems were getting figured out, the timeshare exit programs began which caused more deed issues. The Association has really suffered financially from that industry, and although some of those types of transactions have been stopped, there will be many legal foreclosures necessary in the future.
6. New Business:
 - A. Steve polled the members to see who would be in favor of removing the phones from the units. The members were split. He asked if there was an emergency, would owners look for their cell phone to call for help or use the unit phone. Most owners would use their cell. He then asked if owners would be in favor of a special assessment in the range of \$100, if it was defined specific items. All but 1 owner was in favor.
 - B. There was a lengthy discussion regarding maintenance issues and what owners felt was a basic deterioration of the resort and ways to raise or obtain the money to get things done quicker. A motion was made and seconded to raise maintenance fees to \$895 for 2022. The motion failed by a show of hands. Steve mentioned that there is a list of items that need to be complete, both structural and nonstructural.
7. Election of Directors – Three Director positions were up for election in 2021. Incumbents Doug Weber and George Deliduka, as well as Jim Leukam from the Ad Hoc Committee. A motion was made and seconded from the audience to close nominations and cast a unanimous ballot for Doug, George, and Jim. The motion carried.
8. Unfinished Business:
 - A. A motion was made and seconded directing the Board to be more specific in what the special assessment is for and at least look into obtaining a loan to complete all the projects at one time and finance the loan repayment through the special assessments to complete. The motion carried by a show of hands with three members against, and one abstention. However, management noted that the Association is probably not in a position to take out a loan because they already have a loan out for the pool and front desk building, so that idea is unlikely to happen.
 - B. An owner mentioned that the Board should consider increasing the amount for Bonus weeks if they continue to be in high demand.
9. A motion was made and seconded to adjourn. The meeting adjourned.