

Causeway on Gull Owners Association Special Announcement

Based on the number of comments the Board of Directors has received in the past several years regarding the deteriorating condition of the resort premises, a survey was mailed to all owners last fall using the address of record on file for the owner. The results of the survey were compiled and addressed at the Annual Owners meeting in November. A total of 396 surveys were received (some after the Annual Meeting) with the rankings shown below. Not all of the surveys received gave a ranking to all 5 items.

Number of owners ranking each item listed on a scale of 1 (highest priority) to 5 (lowest priority)

<u>Item</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>Rank Choice</u>	
						<u>Score</u>	<u>Rank</u>
Carpet	89	84	93	68	23	1219	1
Furniture	57	87	98	79	34	1119	3
Mattresses/Beds	98	88	77	51	37	1212	2
Internet	94	49	36	50	116	990	4
Exterior Staining	40	48	41	85	130	815	5
Totals	378	356	345	333	340		

During the discussion of the results it was obvious to the Board that the owners in attendance were very concerned about the condition of the resort and wanted something done to bring the resort back to a better condition. Improving the condition of the resort would have multiple benefits, including more comfortable stays and increased appeal to outsiders leading to better sales and rental opportunities. A motion was made and seconded directing the Board to be more specific in how to do this and included suggestions such as obtaining a loan to do the work all at once, increasing the annual maintenance fees, or using a special assessment or assessments to do the work. The owners present also wanted transparency in this process, specifically concerning the amount of a possible special assessment and how it would be spent.

At the January 2022 Board meeting a committee was formed based on this direction. The committee members are Doug Weber, Jim Leukam, Chuck Standfuss, and Dennis Steele. Initial discussion focused on the survey results and the decision was made to focus on the top 3 items based on the rank choice voting of the owners group, which are Carpeting, Mattresses/Beds, and Living Room Furniture. If funds are available more items can be addressed. It should also be noted that work will continue under the current budget to address needed repairs/replacement of items such as grills, decking, appliances, exterior staining, etc.

Regarding the financing of this project the discussion focused on the 3 suggestions provided at the Annual Meeting. It was determined that a separate loan to cover the costs would be difficult to obtain, would result in the creation of a new budget item which wasn't contemplated when the current budget was set which would drive the annual maintenance fee up, and possibly could be used for purposes

other than this project rather than earmarked for this project specifically. An increase to the annual maintenance fee was discussed, but again the earmarking of funds specifically for this project could be problematic. It was decided to look into the possibility of a special assessment to fund the project. The bylaws of the Owner's Association allows for a special assessment of no more than 20% of the operating budget per year without requiring a vote by the current owners. Based on the current operating budget of \$730 (does not include the Operating Reserve and Replacement Reserve components of the annual maintenance fees) a special assessment of about \$140 could be levied. It was also discussed that an assessment could be levied for multiple years to complete this project(s).

It was decided to look at carpet replacement within the next year for a couple of reasons. Only a few units have had the carpet replaced to date which would allow for most owners to see an immediate result and based on supply chain issues it was felt this would be the item least impacted. Several vendors have been asked to provide estimates of the cost. We feel we can do this part of the project using an assessment amount of \$140 or less. Once these estimates are received a decision will be made on an assessment amount. In order to minimize the disruption to owners work will need to be completed in the non-peak seasons, normally October through March.

If it is decided to levy a special assessment it will be done mid-year to separate it from the timing of the annual maintenance fees. A written invoice for the assessment amount due by a specific date will be sent to each owner on the same basis that annual fees are invoiced. If a unit is owned on a biennial basis (only odd or even years) the assessment amount will be prorated accordingly. If the assessment is not paid by the due date, the owner will not be able to use their unit(s) just as if they had failed to pay the annual maintenance fee.

The committee will communicate their plans using the Causeway On Gull Association website located at <https://causewayongull.org>. Announcements may be made on social network sites in order to notify owners to check the website for updated information however the website is intended to be the primary communication tool. If there are any questions for this committee please contact Doug Weber, committee chairperson, ddweber858@gmail.com, or Chuck Standfuss, Board president, chuck.stanfuss@gmail.com.