

CAUSEWAY ON GULL ASSOCIATION, INC.
2022 ANNUAL OWNERS MEETING
November 13, 2022
The Ramada Hotel and Conference Center, Plymouth MN

1. The meeting was called to order by Association President, Chuck Standfuss. Also present from the Board were Roy Jensen, Jim Leukam, Daryl Luthens, Denny Steele, Doug Weber, George Deliduka, Pat O'Hara, and Rob Hanson. Jim Leukam, Doug Johnson, Sue Brennan, and John Zimmer were present from the Ad Hoc Committee. 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 14, 2021. Annual Meeting. The motion carried.
3. The President's report was presented by Chuck Standfuss:
 - A. Chuck introduced the other members of the Board.
 - B. Chuck summarized his year as President. Although he knew he would only be President for the year, he felt he had the experience because he was also the timeshare owners association President of Barefoot Resort in South Dakota and understood the issues Causeway was facing as a legacy resort.
 - C. There have been some supply chain issues affecting the ability to respond in many areas which can make it appear that unit deterioration is accelerating but feels that the Board has a plan to stay ahead of it.
 - D. The carpet project was about to start and that the Board is aware that there are several other upgrades that are needed in the units.
 - E. Chuck thanked everyone for being maintenance fee paying owners and supporting their volunteer Board. He welcomed anyone to join if interested and could speak to any Board member after the meeting if interested.
4. The Treasurer's report was presented by Association Treasurer, Doug Weber:
 - A. The Finance Committee met and set the 2023 budget at \$835. \$30 of the increase went to the general operating account while \$5 went to the two reserve funds.
 - B. Doug reviewed actual money received vs. expenses. He explained that about 30% of the weeks at Causeway are nonproductive (association inventory, delinquent owners, or weeks that need to go through the legal foreclosure process), which means that 30% of the annual assessment does not get collected (approx. \$740,979). Although real estate taxes will be reduced in 2023 [thanks to the Association appeal on values with the County] utility, insurance, and other expenses have increased significantly.
 - C. During and following Doug's report several comments or questions were raised and answered including:
 - a. Per the Association documents, the Board's fiduciary duty is to maintain the owner base and not take back intervals as it puts the burden to pay expenses on the rest of the owners.
 - b. The old developer originally left the Association with about 15% of the overall inventory.
 - c. The Board is considering increasing the fee for Bonus weeks. This will be discussed at the January Board Meeting, as well as other options for raising money.
 - d. The younger generation seems less interested in owning timeshare.
 - e. Discussion – how to better market timeshare when there really isn't a market for some weeks.
 - f. The cost to foreclose a timeshare interval could range from \$1,500 to \$2,500.
 - g. There should be a continued effort at improving communication between the Board and owners.

- h. Management fees have not changed for seven years. Neal explained how he has been able to offset any increase, in spite of significant wage increases.
 - i. Some staining did get done this year on the units.
 - j. The Board chose to levy the special assessment for carpet replacement because it was the biggest problem noted on the survey. Furniture was the second. There are about 2,600 owners and not all are going to agree on the order of upgrades. Doug reminded owners that there would likely be another special assessment to continue with needed work.
 - k. The dock project was necessary because of safety and the lease with the Marina, who paid \$84,000 this year in rent. The Marina also paid their share of the replacement costs for the docks.
 - l. The Board may elect to increase late fees and be less likely to waive them. Owners suggested looking into having the ability to pay fees online.
 - m. It was noted that over half of the units have had the furniture replaced, as well as all of the living room TV's. Each year several furnaces, air conditioners, and beds are replaced in the units. Things are getting done, they are just not always noticeable to everyone.
- F. There was discussion regarding the hot tubs being shut down by the Minnesota Department of Health due to the drain configuration and plumbing issues. This was not an issue with the previous health inspector, but it appears to be with the new inspector, who has found several issues with the tubs.
5. The House and Grounds report was presented by Jim Leukam:
- A. Jim shared a little about his background. He feels timeshare is still a good value. He understands that there are a lot of things that need attention but there is only so much money to get things done. His goal is to make things better.
6. Election of Directors: Three Director positions were up for election in 2022. Sue Brennan, Steve Wagner, and Doug Johnson were nominated by the Board. With no other nominations being made, a motion was made and seconded to close nominations and cast a white ballot for Sue, Steve, Doug. The motion carried.
7. The Management report was presented by Neal Narveson:
- A. Neal explained that Global Exchange (GE) owns a large block of intervals at Causeway and pay about \$165,000 in maintenance fees annually. These are intervals that had been previously foreclosed by the Association and are deposited into the RCI Points system for their own membership club. The whole process of doing this took about three years. He is currently speaking with a couple other companies about doing the same. There are positive things going on in the industry, it is changing and he is trying to work with those changes.
 - B. He mentioned that legacy (aging) resorts are losing 2% to 3% of their owners annually.
 - C. There is still no internet in the units. The Board looks into it periodically, but it would still be a significant expense to the Association.
8. Unfinished Business: There was no unfinished business to discuss.
9. New Business: There was no additional business to discuss.
10. A motion was made and seconded to adjourn. The meeting adjourned.