

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
January 7, 2023

1. The meeting was called to order by Association President Steve Wagner. Present from the Board were Doug Weber, Jim Leukam, Pat O'Hara, George Deliduka, Daryl Luthens, Doug Johnson, and Rob Hanson. Sue Brennan was absent. Kitty Haselkamp, John Zimmer, Roy Jensen, and Denny Steele were present from the Ad Hoc Committee. Chuck Standfuss was absent. Neal Narveson and LeAnne Rundhaug were present from Narveson Management, Inc.
2. Steve explained the reason he did not want the meeting to be streamed, videoed, or recorded.
3. Approval of Minutes: A motion was made and seconded to approve the minutes of the Meeting Before the Annual Meeting, Annual Meeting for distribution, and Meeting Following the Annual Meeting. The motion carried. A motion was made and seconded put the Board meeting minutes on the Association website, as "subject to approval from the Board" [instead of waiting until the next Board meeting to be formally approved]. The motion carried.
4. Meeting Business:
 - A. Owners Troy Hummelgard and Brenn Fromm were introduced and given the opportunity to share a little about themselves and why they were attending the Board meeting. Troy wanted to learn more about the hot tub issue, and Brenda wanted to know the process for becoming an Ad Hoc member, wanted a list of the Association owned weeks, and a list of the delinquent owner's unit/week. It was noted that the hot tub issue would be discussed later in the meeting. Brenda was informed that the Board will not provide lists to anyone, only counts (number of weeks). She inquired if the Association has had an audit of the financials performed. It was explained that the Finance Committee does an audit of the financials regularly. Regarding the procedures for joining the Ad Hoc Committee, a notice goes out with the notice of the Annual Meeting on how to apply. Any interested candidates are interviewed at the Meeting Before the Annual Meeting, and the Board elects the committee members. This year, there were no applicants so the Board agreed that the five members who had been a part of the Ad Hoc Committee or Board would be elected to the Ad Hoc Committee. Denny said he could step down if the Board decided later that they had another good candidate.
 - B. On the question of meetings by Zoom, it was explained that either everyone needed to attend by Zoom or attend in person unless a meeting room was designed to properly accommodate both, and currently, the Board prefers to meet in person. The equipment could be purchased and put in a specific room so that the meeting could be conducted in person and Zoom but it would be costly to be done properly.
 - C. The meeting currently scheduled for 2023 were set as follows:
 - Saturday, May 6, 2023, at the resort at 10:00 AM
 - Saturday, October 7, 2023, at the resort at 10:00 AM
 - Sunday, November 12, 2023, at a location in Baxter TBD, a Board Meeting Before the Annual Meeting will be held at 10:00 AM, with the Annual Meeting beginning at 1:00 PM
 - Saturday, January 6, 2024, at a location TBD in the cities at 9:00 AM

5. Committee Reports:

A. House and Grounds Committee:

- i. Jim reported that the maintenance department has been busy with frustrated owners because of all of the snow that has fallen, and they have not been able to get to the hot tub repairs as quickly as they would have liked. Maintenance has also found the hot tubs in several of the units are leaking so badly that they cannot be opened after the necessary repairs are completed. He asked for everyone's patience during this process and reminded the Board that the staff is dealing with plumbing lines and tubs that are over 35 years old. More discussion will be held later in the meeting.
- ii. The carpet has been ordered and is in house. The project was late getting started due to the installers, but it is proceeding this week with the hopes of getting two units complete per week until spring, and then there will be a break during the busy summer months.
- iii. There was a brief discussion regarding how projects are scheduled and needed repairs get done. It was noted that there is a standing Association policy not to reimburse owners, exchanges, or rentals for anything due to maintenance issues.
- iv. There was a lengthy discussion regarding how to move forward with the hot tubs. Neal mentioned that back in 2008 – 2009 former Legal Counsel, Dick Hawk, went through every unit with the Minnesota Department of Health (MDH) to see what repairs were needed to keep the hot tubs open. The updates were completed, and everything was going well until a new inspector was assigned to Causeway and now, he is finding problems. Neal has dealt with these issues before and explained that two of the Breezy Timeshare Associations decided to close the hot tubs off to exchange guests and rentals. By doing this, they are not regulated by the MDH and all of their requirements. Two of the CPOs from Breezy (one of which is the Maintenance Manager who has a lot of experience with hot tubs) have been going down to Causeway to try to help get the hot tubs up and running. They have reported to Neal that most of the hot tubs will need to be completely replumbed, some will likely need to be lifted out of the space to be able to work on them, (tile work will need to be done in those units as well), and they have found some that are cracked badly enough that they should be replaced. The costs to have a contractor replumb them is approximately \$2,500. There will be additional costs for those tubs that need to be lifted out of the space. The cost of a new tub is \$6,000 to \$12,000 and the replacement plan would need to be approved by the MDH before starting. The cost to do a conversion from a hot tub to a whirlpool bathtub is approximately \$2,500 with an additional cost to either upgrade the water heater or install an on-demand system. With the seriousness of the problem, it questioned if the Board should divert some of the funds collected for the carpet replacement to fix the hot tubs. There was discussion regarding how to proceed. Following discussion, a motion was made and seconded continue with the repairs and evaluation of the hot tubs without spending any unnecessary funds to do so. The motion carried. Once a full evaluation of the tubs is complete, a motion was made and seconded to survey the members to inform them of the seriousness of the issue and to see how they would like to proceed depending on the options that are actually available. The motion carried.

- B. Finance Committee: Doug W. reported on the following:
 - i. The financials will show the Association is ahead on cash, but that is due to the funds that were received from the special assessment. Year-end financials will not be available until February.
 - ii. Following discussion, a motion was made and seconded to charge \$625 for bonus weeks. The motion was amended to only charge \$595. The motion carried.
 - iii. He mentioned developing a better late fee policy. Neal will check to see if the Association can charge more than \$30 twice a year. Until then, management was directed not to waive any late fees.

- C. Policy Committee: There was nothing to report at this time.

- D. Communications Committee: Pat reported on the following:
 - i. Sue created a new Facebook page called "Causeway on Gull Board" as a way for the Board to communicate better with owners. It was later determined that the Board will use the Causeway on Gull Resource Group Facebook page to update owners as it has already been established and it might be confusing to have too many Causeway pages on Facebook.
 - ii. Sue, Neal, LeAnne, and himself will be working on the next Newsletter.

- 6. Reports from Management: Neal reported on the following:
 - A. He is still communicating with a couple different companies who are interested in either acquiring or using the Association's unproductive inventory based on the previous discussions.
 - B. He has not heard from the City yet about the easement or moving the sign but he and Steve are already authorized to work through those details with the Association Attorney when the easement is ready.
 - C. Management was authorized to close the Frandsen Bank account and open a new account at First National Bank.