

CAUSEWAY ON GULL CHATTER



The Board met on Saturday October 7, 2023 at the resort and discussed the following items:

Finance

Doug Weber presented the 2024 budget which passed. After much discussion there is a need to increase the annual Maintenance Dues to continue operating our resort. A vote passed to raise the dues from \$835 to \$860 per annual interval. This is about a 3% increase, which helps keep up with inflation and will be broken down with \$15 going to the Operating Budget, \$5 going to the Operating Reserve account, and \$5 going to the Replacement Reserve account. We have recognized significant savings in our electric and propane expenses this year due to the ongoing issues with the hot tubs, so it was felt a larger increase was not needed at this time. There are no plans for an additional special assessment in 2024. The additional money raised through the special assessment this year will be used to complete the carpeting project, and the remainder will be used for another project to be determined at the annual owners' meeting coming up in November.

Survey Results

Responses to the survey that was sent out with the notice of the special assessment have been coming in. Through October 7th, there have been over 800 responses received, compared to over 300 responses to the initial survey in 2021. The Board wants to thank all the owners who responded for taking the time to complete and return the survey. The final results will be discussed at the annual owners' meeting in November. So far, the results favor Furniture Replacement followed by Mattresses and Beds, and Internet service, Hot tub repair or replacement, Window Replacement.



Carpet

A total of 22 units have been completed to date. They are 1, 2, 3, 4, 5, 6, 8, 10 (upstairs, and hot tub room), 13, 15, 16, 19, 25, 26, 29, 30, 33, 34, 41, 42, 47, and 48. Additional carpet has been ordered and installation will resume on October 27th. The carpet schedule depends on availability basis of units. Maintenance is taking down one duplex (2 units) at a time for a period of two weeks, this is done to mitigate the noise and moving of furniture from one unit to the other. The following units are tentatively scheduled for replacement through December 8, 2023: 39, 40, 9, 49, 50, 45, and 46. If the front desk calls and asks you to move to another unit, we ask you to please be as accommodating as possible to move this project along. Our hope is to complete the remaining 34 units over the winter months.

Maintenance

The Maintenance team continues to work hard on the many needs of our resort, there is not a shortage of tasks that need to be accomplished. We are well aware of the issues with our aging resort and are all working hard together with the budget we have to improve as much as possible from normal wear and tear issues, windows, sliding doors, sliding patio screen doors, tile replacement, painting, appliances, staining, the list goes on as many things are aging out. Now that the busy season is over the maintenance team has been working on painting steps yellow, repairing or replacing deck spindles and walkway boards, tree trimming, pressure washing brick walls, cold patching the road going to the top of the hill, and replacing deteriorated siding on multiple units. Our team wants to remind people, if you have maintenance issues, to please bring it to the attention of the front desk.

Hot Tubs

There was an in depth conversation regarding the hot tubs. Right now, units 4, 11, 12, 17, 21, 22, 24, 35, 36, 37, 38, 39, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, and 52 are up and running. This could change if there are issues. Remaining units where hot tubs aren't working will not be reopened due to cost factors, they need to be completely torn out and replaced if this is the direction we go.

The options discussed at the meeting: should we shut all tubs down "an all or nothing kind of thing" since some owners have, and others do not. Should there be an additional fee for those that are working since they must be maintained? In the end it was decided



to leave the hot tubs as they are but if the cost is more than \$50 to repair, it will be shut down.

We will discuss this further at the Annual Meeting where very tough decisions will need to be made. The longevity of having hot tubs in the units is looking very bleak with major changes that must be decided. Some of the options and rough costs were discussed.

1. Replacing hot tubs with new ones will be a major cost that would include no crawl space or confined space, access from the outside of the buildings, a contractor hired to provide blueprints for approval by the state, new heating systems. Keep in mind we are looking at \$20K plus replacement costs, tile and hired plumbing contractor. Going forward with regular inspections from the State and daily access for Maintenance.
2. Replacing hot tubs with a drain and fill a two person Whirlpool tub type unit as a replacement. This would include removing hot tubs and replacing them with new tubs, new heating systems and tile, hire plumbing contractor. This type of water source would not need to be inspected or approved by the State. These drain and fill units run \$4K-\$5K plus tankless water heaters would need to be installed, fixtures, and tile.
3. Remove all water sources and replace/remodel the room with additional bedding, Jim produced a rough drawing with costs at \$6K-7K,

Any way we look at it we are looking at major changes along with costs associated with each project.

Insurance

Because of insurance liability and state licensing issues a committee was assigned to research our Rental Policy. Short term rental is the largest issue for our insurance company and will affect our coverage and premiums if not changed. This new policy will be updated and posted in its entirety on our website.

Owners offering nightly rentals create different expenses to the association for those stays. (Additional housekeeping services, laundry services, administrative services, supplies, etc.) An owner cannot provide these additional nightly services themselves, or with their own employees, as these activities are not covered under the association's insurance policy. Therefore, all nightly rental activity and corresponding service must be contracted for through the Association and its Management Company. Owners cannot



rent their units by the night on their own. Rental contracts, advanced deposits, and disbursement of all rental funds for these services will be properly run through the management agent's trust account per Minnesota Statutes and IRS requirements.

Owners conducting rental activity shall be responsible for any necessary licensing should any regulatory body so require additional licensing or permits. The penalty for violations of this rental policy shall be \$500 per occurrence, plus whatever additional costs are incurred by the association relating to the rental violation.

Miscellaneous

A thorough look at our Policy Manual is in the works as of this writing as there is confusion on issues, outdated policies and new policies needed. We need to update or add policies regarding the following topics: policy regarding electric car charging, how to address the new cannabis laws going into effect and clarifying Board Elections.

To give a quick synopsis on this last topic, there is an Ad Hoc Committee consisting of three members. These members are considered as 'Board members in training.' Owners interested in an Ad Hoc position may submit their nominations in writing to the Board of Directors and all candidates must be present in person for an interview with the Board of Directors at a meeting to be held prior to the Annual Meeting. From the group of candidates interviewed the Board will select three members to serve a one year term. Ad Hoc members would need to be selected again at the next annual meeting to continue to serve on the Ad Hoc committee. The Ad Hoc members selected by the Board will be introduced at the Annual Meeting.

Each year at the Annual Meeting the Board will nominate three people to serve a three year term on the board. These people have traditionally been chosen from Board members whose current term is expiring, but still are eligible to serve an additional term, and Ad Hoc members who have served the past year and who would like to transition to the board. The owners present at the Annual Meeting will vote on these nominees or other persons who are nominated by owners present at the meeting. If an owner will not be able to attend the Annual Meeting they may 'Proxy' their vote to the Board of Directors or another owner who will be at the annual meeting, so that their vote can be cast as they wish. Proxy forms will be included with the packet of information that is mailed to all owners of record prior to the Annual Meeting. All proxy forms must be received at the association office 5 days prior to the Annual Meeting so they can be validated. All completed, signed, and dated Proxy forms will be available at the Annual Meeting for review.

NEW ROUNDABOUT COMPLETED ON 77



The new recreational trail being constructed by the City of Lakeshore has commenced along County Road 77 the front of the resort has been completed! As a result of this construction the resort had to take down its lighthouse sign near the entrance to the resort. Never fear though, the city did provide additional funds that are being used to reconstruct the sign in a new location which is still clearly visible from the road. There are also additional funds from the city that will be used for landscaping the reconstructed area.

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