

**CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
May 6, 2023**

1. Association President Steve Wagner called the meeting to order. Present from the Board were Jim Leukam, Pat O'Hara, Doug Johnson, Daryl Luthens, Sue Brennan, George Deliduka, and Rob Hanson. Doug Weber was absent. Denny Steele, Kitty Haselkamp, Roy Jensen, Chuck Standfuss, and John Zimmer. Neal Narveson and LeAnne Rundhaug were present from Narveson Management, Inc. Owner Charles Michael was also present.
2. Approval of Minutes: A motion was made and seconded to approve the minutes of the Board Meeting held January 7, 2023.
3. Committee Reports:
 - A. House and Grounds Committee: Jim reported on the following:
 - Jim Orser retired as Maintenance Manager and Ken Irvin has been promoted as an Interim Manager.
 - Eighteen hot tubs are up and running. There are some that had previously been fixed but had to be taken down again due to continued leaks.
 - The current exterior issues that will need to be addressed are rotting siding and window.
 - Ice dams were an issue over the winter. Some caused interior ceiling to fall in and were repaired by maintenance. This is not a problem caused by the roofers. The roofs were inspected and approved by an inspector appointed by the insurance company (since the roof replacement was an insurance claim). These ice dams are occurring in the valleys of the roof which is a design flaw regarding insulation. Neal did purchase a roof steamer to help deal with the problem.
 - The furnaces are old and are starting to fail and are being replaced as necessary.
 - The shower doors are also getting old and will need to be replaced. A question was raised on if they should be replacing with a shower curtain. No action was taken.
 - The maintenance department has been completing many tile projects in house, but they are starting to run out of tile. Neal mentioned that many of his Associations at Breezy Point were moving to laminate flooring instead of tile.
 - The maintenance crew was commended for their efforts in completing many projects in house.
 - B. Finance Committee:
 - Neal mentioned that electric costs have decreased 50%. This is specifically due to the hot tub being closed.
 - There was discussion regarding golf carts. Following discussion, a motion was made and seconded to charge the rental fee for a golf cart to \$400 per week. A motion was made and seconded to amend the motion to \$250 per week, or \$40 per day. The motion carried.
 - There was discussion regarding levying a second special assessment in the summer. A suggestion was made to send a report with the notice detailing where the money has been spent.
 - It was clarified that Board members may have their mileage for attending Board meetings if they must travel more than thirty miles to a meeting.
 - Neal reported that the order for carpet replacement is dictated by occupancy and the condition of the carpet in each unit.

- C. Communications Committee:
 - Sue is working on updating the Association Declarations and Bylaws for the website. She would also like to have a new resort map posted that shows the unit numbers more clearly.
 - There was discussion regarding the Facebook pages and having an official page for owners. Currently there is a Causeway on Gull Facebook page for the public, the Causeway-On-Gull Owners' Resource Group page that Chuck is the Administrator of, and Causeway on Gull Owner Group which is run by a group of owners. Board members were cautioned on what they post of Facebook.
 - D. Policy Committee: There was nothing new to report.
 - It was noted that Causeway has a no pet policy. Only registered service animals are allowed on the resort, not emotional support animals.
4. Reports from Management: Neal reported on the following:
- A. The trees have been removed for the new city trail. The Causeway lighthouse sign is coming down and will be rebuilt and put back after the city has completed their work. There was discussion regarding how to landscape the area. Neal thanked Steve and Association Attorney, Jack Austin for their efforts in getting the project moved ahead quickly.
 - B. The Board does have a Non-Disclosure Agreement with the companies they are working with to use the Association unsold inventory.
 - C. There was an explanation of how both the hot tub issue with the MDH and rental ordinance issues conflict Associations current policies.
 - D. The carpet replacement project was stopped due to occupancy and so the contractor could order more carpet.
 - E. There was a lengthy discussion regarding the hot tub project which included:
 - How and why the hot tubs were shut down.
 - Only allowing owners to use the hot tubs (not rentals or exchange guests). This would remove the Minnesota Department of Health's (MDH) need to inspect them.
 - Removing the hot tubs and replacing with a good whirlpool tub.
 - Replacement of any kind would need to be approved by the MDH. Because of the confined space rule, the pump and plumbing would also need to be housed on the outside of the unit if a hot tub is replaced. This rule also creates a liability for both Causeway and NMI.
 - F. Gull Five Association is a sub-association of Causeway on Gull and are 11/69ths of the overall group. Their Board would like for the President of that association to have a seat on the Causeway Board, or the Ad Hoc Committee.
 - G. The short-term rental ordinance was discussed. Discussion included:
 - Causeway Association is exempt for this ordinance because of the PUD, and it is managed by the Board and a professional management company. This means that any public rentals ran through the Association are also exempt, but not necessarily all private rentals.
 - You need a MDH license if rentals are one week or less. You do not if rentals are more than one week. The MDH is checking private VRBO rentals.
 - Right now, Gull Five rentals are checked-in and out privately and they are cleaning the units through private entities.

- Liability insurance for the Association is based on the maintenance fees collected and any reported rentals. There is an insurance problem with owners renting out their units on their own as these rentals are not reported in calculating premiums. The Gull Five owners who rent their units may have to also carry their own individual insurance for conducting rentals.
 - The Association Documents indicate that any rentals by owners should be by the week, and not by the night. Steve has appointed a committee to investigate the necessary policy changes for the Association. The Association attorney may also be contacted for advice.
- H. There was a brief discussion regarding increasing costs for insurance.
- I. The Association has received proposals from the two national groups Neal has been in contact with to work with the Association's unsold inventory. One markets in rentals and the other is primarily timeshare driven.
5. Charles M. mentioned that his concern is for the Board to preserve and protect the Association. If possible, he would like to see internet installed in the units and the costs to do that added to the maintenance fees in the future.

The meeting was closed.

6. Meeting Business:

- A. There was additional discussion regarding the two groups mentioned earlier in the meeting. Neal summarized the details of each offer and which company would be a better option for the Association. Following a lengthy discussion, the Board agreed to move ahead with one of the companies and a motion was made and seconded to allow Steve to work with the other associations to move ahead with the offer. The motion carried. Neal was asked to keep the Board apprised of any progress.
- B. Sue, Doug J., and Chuck were assigned as the committee to investigate possible policy changes and how they may affect owners and the Association moving forward.
- C. Steve, Doug W., and Jim were assigned as the committee to gather information regarding how to move ahead with the hot tub issue. It was noted that the maintenance staff is aware of the confined space issue. Steve would like to make a decision on how to move forward with the hot tubs by the October meeting.
- D. Neal reported that it would cost approximately \$2,000 plus \$115 per month to give access to a Board member for QuickBooks. The Board elected not to move ahead with this.
7. With there being no further business to discuss, a motion was made and seconded to adjourn. The meeting adjourned.