

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
October 1, 2016

1. The meeting was called to order by Steve Wagner. Also present from the Board were Roy Jensen, Shirley Mitchell, Pat O'Hara, Doug Johnson, Doug Weber, and Daryl Luthens. Dennis Nordstrand and Chuck Standfuss were absent. Rob Hanson, Dennis Steele, and George Deliduka were present from the Ad Hoc Committee. Gloria Williamson was absent. Legal Counsel, Dick Hawke, and Narveson Management representatives Neal Narveson and LeAnne Rundhaug were also present.
2. A motion was made and seconded to approve the minutes of the Board Meeting held July 16, 2016. The motion carried.
3. Management Report – Neal reported on the following:
 - A. In regard to golf cart rentals and revenue, from week 18 through week 31, approximately \$14,000 in revenue was collected. There was discussion regarding increasing the rental rate for golf carts. There was also discussion regarding purchasing new carts and increasing the number of carts.
 - B. Nothing new has happened in regard to the docks. A floating dock was never purchased and we haven't spoken to Luke (Gull Lake Marina) about the issue since last Spring. The maintenance staff did a good job repairing the boardwalk from the steps down to the dock.
 - C. The promotional video from RCI and it turned out well. This was done at no cost to the association.
 - D. An email was received from RCI stating that Causeway was 1/10 off the required score in unit maintenance and was going to lose the Gold Crown Status. Neal contacted RCI and explained the Associations financial situation and what is being done to increase revenues. RCI agreed to grant an exception and allow the resort to retain its Gold Crown status.
 - E. Neal reminded the Board that the loan with Neighborhood National Bank will renew later in the month. If the bank sees that the Association is cash flowing, the interest rate on the loan should be reduced. Unfortunately, a new appraisal will have to be completed before this can happen.
 - F. Tria recently resigned as the Front Desk Manager. One of the current front desk employees is being considered for the position.
 - G. Once again, NMI will not be taking any management fee increase for 2017. There was a brief discussion regarding how the minimum wage increase, new wage requirements for salaried employees, and the Affordable Care Act has affected NMI.
4. Committee Reports:
 - A. House and Grounds Committee – Roy reported that he met with some of the management staff and completed a walk through inspection of several of the units. He mentioned some of the projects that have been completed by the maintenance staff and reviewed some of the projects that still need to be completed. Roy commented that the roof on unit 29 is really bad and should be replaced as soon as possible. The staff has been moving any inbound reservations to other units. Following discussion, a motion was made and seconded to have Thompson Exterior replace the roof at a cost of \$13,500. The motion carried 6:1.
 - B. Finance Committee – It was reported that Dennis resigned from the Board and Treasurer's position. His term would have expired in November 2018. The Board reviewed the 2017 proposed budget. Neal commented that there has been no progress in Global obtaining a second batch of inventory, however they will pay full fees on the entire first batch, which is approximately \$155,000. Dick explained the reasons for the delay and what is being done to try to resolve the issues. There was discussion on ways to increase revenue and the possibility of levying a special assessment to get some of the projects completed. Following discussion, a motion was made and seconded to approve the 2017 budget at \$745. The motion carried.

- C. Communications Committee – Pat reported on some of the ideas for the newsletter. There was discussion regarding what should be included in the Presidents letter that will be mailed with the notice of annual meeting. Neal mentioned that he will be working with a social media person in an effort to increase sales for exposure for Vacation Ownership For Less.
- D. Policy Committee – It was clarified that the Marina can use the lot on the hill but it cannot be used for boat storage over the winter. Regarding Board attendance at meetings, there is a standing policy that Board members cannot miss more than two meetings.

5. Meeting Business:

- A. Chuck, Daryl, and Roy's Board terms are up for election this year. Both Daryl and Roy expressed interest in serving again (Chuck was not in attendance to ask).
- B. A motion was made and seconded to accept Dennis's resignation. The motion carried.
- C. A motion was made and seconded to elect Denny to the Board. Denny did not accept the nomination and the motion was withdrawn.
- D. A motion was made and seconded to elect George to the Board. The motion carried. George will fulfill the remainder of Dennis's term.
- E. A motion was made and seconded to elect Doug Weber as Treasurer. The motion carried.
- F. The rates for golf cart rentals are currently \$25/day or \$100/week. Following discussion, a motion was made and seconded to increase the rates to \$150/week. The motion was amended to include or \$30/day. The motion and amendment carried. The Board would also like to increase the number of carts to 20. Management was directed to obtain costs of new carts vs refurbished carts.

- 6. A motion was made and seconded to adjourn. The meeting adjourned.