

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
September 7, 2017

John Rasmussen called the meeting to order at 10:00 a.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

John Rasmussen, President	Earl Monari, Director
John "Randy" Kuhl, Treasurer (via phone)	Joyce Morris, Director
Carl Bauer, Director	Chris Gourdie, General Manager
Tom Leiser, Director	Carol Post, Bookkeeper

Glenn Norton, Bryon Smith and Richard Moore were absent.

The President announced a quorum was present and that the notice for this meeting was posted in accordance with the bylaws and statutory requirements.

Under provisions for owner comments, there were no owners present to address the board.

The minutes of the June 1, 2017 and June 21, 2017 board meetings were then presented to the board. There being no corrections to the minutes, the president stated that the minutes of the June 1, 2017 and June 21, 2017 board meetings stand approved as submitted.

Randy Kuhl then gave the treasurer's report. The Association ended July with surplus of income to expenses for the year of \$81,384. Operating cash was \$1,199,353 and cash in reserves totaled \$652,101. Reserve funds are up \$100,866 since the beginning of the year.

Chris Gourdie then presented some highlights of the general manager's report. He stated that the grounds crew has completed many new installations since the beginning of summer. Under administration, he stated that collections were down considerably due to the sale of several units. He then gave an update on trash disposal. Since the last board meeting, he had followed up with Republic Services to inquire about leasing a trash compactor on a trial basis, but was told the minimum was five years. Since the last meeting, he was approached by condo owner Bob Grable, who is a representative of Waste Services, offering to provide tenants with valet trash service at a cost of \$30 per unit per month. Residents would place trash outside their doors for pick-up, and the company would police the entire property, pick up trash along the roads and condos and keep the trash disposal/dumpster areas clean in return for allowing them to solicit and be an exclusive vendor for this type of service. The item wasn't on the agenda, so a vote couldn't be taken, but Mr. Gourdie asked if the board would want to allow Mr. Grable to do a presentation at the November meeting. Mr. Rasmussen said this would enable board members to question him directly and felt it was a good idea.

Mr. Gourdie then gave an update on a new statute regarding term limits, which was brought up at the last meeting. He indicated that he had spoken with the Association lawyer, and lawyers are

interpreting the statute to be effective this year rather than being retroactive. The statute allows associations to waive term limits with an affirmative vote of two thirds of the membership. Mr. Rasmussen suggested putting the issue on the agenda for the annual meeting. Randy Kuhl moved and Earl Monari seconded a motion, which was passed unanimously, to list on the annual meeting agenda, a vote of whether to preclude the board from the statute imposing term limits.

Earl Monari then asked for clarification on the statute governing conflicts of interest, which precludes a member of the board from purchasing an Association-foreclosed unit. He gave an example, asking if the unit next to his became available in this manner and he wanted to purchase it, whether he would be allowed. Mr. Rasmussen stated that no, none of the board members would be allowed. Mr. Monari then asked about Westgate, since they have representatives on the board, and no one was able to answer that question. Mr. Rasmussen felt the statute would probably get challenged, because it's restraint of trade.

Mr. Gourdie then reviewed another statute change, effective next June, which would require associations to share a lot more information on their websites, such as all documentation related to board meetings, including general manager's reports. He stated these items would be put in an "owners only" area.

The next item on the agenda was discussion about the condition of the lake lofts. Mr. Gourdie indicated that the lake loft owners voted whether to pass a 30% increase in fees to further fund the reserves. 18 votes were needed for a majority. After recessing for a week to get more participation, the final vote was 16 for the increase and 2 against, so it did not pass. Mr. Gourdie said the Association could move forward with repairs, slowing fixing up the units as money seeps into the account. He indicated that he had spoken with a contractor who would pull the permits and allow Association staff to do the work, under his supervision. He stated that to shore up the sagging structures with posts under the outriggers would require a vote to change the common element.

Mr. Rasmussen asked what the contractor's quote was to fix the units, without the Association doing the repairs, and Mr. Gourdie said \$39,000 per unit. Mr. Rasmussen suggested having the membership vote whether to have a special assessment, and if it gets voted down, to explore the next option, which involves changing the common element. Mr. Gourdie explained that the quote to put the buildings back the way they were designed was \$60,000, that the \$39,000 price was with the changes to the common element. A discussion then ensued about how to present the different options for a vote. It was decided by consensus of the board to have a series of three meetings, the first to vote whether to approve a special assessment in the amount of \$60,000 to repair the buildings as they were originally designed, a second meeting to vote whether to approve a change to the common element in order to install support posts under the outriggers, and a third meeting to approve a special assessment of \$39,000 to have the repairs made as per the changes. Mr. Gourdie stated that he would put together the proposed wording and have it ready for the board to consider at the November meeting.

The next item on the agenda was consideration of the proposed operating budget and recommended level of reserve funding. Randy Kuhl stated that the budget committee met and had two small revisions to the budget that Mr. Gourdie and Ms. Post had put together. Since the vote to increase lakeloft fees by 30% failed, it was decided instead to increase them \$20 per

quarter. The other change was to create a line item for tree trimming that the volunteers are unable to do in the non-landscaped areas and to fund it at \$20,000 by increasing the carry forward. He stated there would be no increase in maintenance fees, except the \$20 per quarter for the lakelofts. He stated that the proposed budget includes increased funding of reserves, which is something the board has worked toward the past several years. Randy Kuhl moved and Carl Bauer seconded a motion, which was passed unanimously, to approve the budget as submitted.

At 10:46 a.m., Randy Kuhl moved and Joyce Morris seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carol Post".

Carol Post
Secretary pro tem