

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
April 16, 2020

The president called the meeting to order at 10:04 a.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

John Rasmussen, President (via phone)	Earl Monari, Director (via phone)
John "Randy" Kuhl, Treasurer (via phone)	Joyce Morris, Director (via phone)
Tom Leiser, Vice-president (via phone)	Tom Sparks, Director (via phone)
Bryon Smith, Secretary (via phone)	Chris Gourdie, General Manager
Carl Bauer, Director (via phone)	Carol Post, Bookkeeper
Charles Erwin, Director (via phone)	

The president announced a quorum was present and that the notice for this meeting was posted in accordance with the bylaws and statutory requirements. No owners were present to address the board.

The first item on the agenda was the Association's property and casualty renewal. Mr. Gourdie explained that, although the board had decided last year to insure the property for 120% of the appraised value, that both proposals this year were based on the appraised value. He stated that in the event of a serious loss, the Association has law and ordinance coverage, but the board can choose not to rebuild, and if the affected owners vote to rebuild, those owners would pay the amounts not covered by insurance.

He stated that the markets had predicted a 15 to 20% increase. McGriff came in with the same premium as last year but with 15.5 million less coverage, which was in line with what he expected. Those reports weren't out, however, when the Association completed its 2020 budget in August, so the budget only allows for a 5% increase.

In reviewing the specifics of the two proposals, he stated that Brown and Brown's carriers felt the Association's roofs were too old and would only insure for actual cash value, which has depreciation deducted. Mr. Gourdie felt this would create too much exposure for the Association since roofs are what sustains the most damage if there is an event. The agent was disappointed that he couldn't get better coverage, but their premium was about \$20,000 lower than McGriff's. Mr. Gourdie, however, pointed out that, if the Association faced a catastrophic event, that savings would evaporate after one building.

Mr. Gourdie reported that after looking at everything, he felt it was best to go with McGriff's proposal. He stated that he also spoke with Brian Siegel that morning, who concurred. Mr. Bauer indicated that he had spoken with Mr. Siegel, too, and agreed. Mr. Rasmussen also concurred. Mr. Gourdie stated that the board needed to vote on only the property insurance, that last year the

general liability and umbrella premiums were locked in for three years at a really good price with Cincinnati Insurance, which is an excellent company.

Tom Leiser then moved and Carl Bauer seconded a motion, which was approved unanimously, to accept McGriff, Siebels and Williams' proposal to insure the property at a total value of \$77,975,431 with a premium of \$327,349.74.

The next item on the agenda was the Maple Leaf recreational area. Mr. Gourdie gave an overview, stating that after the last meeting he spoke with the attorney about the Association installing bocce ball courts and horseshoe pits, and the attorney didn't see any problem with it as long as the changes were done in a way that they could be removed at a later date. This was especially true since the proposed location was once a recreational area, with nature trails.

Mr. Gourdie stated that he did research, walked the area, took pictures and showed the proposed improvements on a map. He advised against rock or gravel for the bocce ball courts, because keeping them clean would be too difficult in a wooded area. He instead recommended an artificial turf type product which could be cleaned with a leaf blower. He stated that the total cost for two bocce ball courts and horseshoe pits would be below \$1,500 and that people would bring their own chairs and clean up after themselves. The equipment could be stored in a nearby storage closet. There is plenty of parking in the area with the potential to add more temporary spaces.

Mr. Bauer stated that if the board were discussing this at any other time, he would have no problem with it, but with the virus crisis and the possibility that owners aren't going to be able to pay their fees, he felt that the Association should be looking at curtailing activities and cutting staff and possibly checking into getting a small business loan to help cover costs. Mr. Monari stated that while he wants the recreational area, he can see Mr. Bauer's point. He felt it would be good to table the project and look at it again in June. Mr. Rasmussen felt the board wouldn't have the answers it needs as early as June, that the issue should be moved to the September meeting. Mr. Monari expressed the desire to have the project put into action in the fall, when a lot of owners return, but understood that it would have to be tabled until the problems with the virus are rectified. Mr. Rasmussen agreed, saying that the Association will have a better idea of its position after July 1, when the third quarter fees are due. He asked if it was okay to put the item on the September meeting agenda, and the board members agreed.

The next item on the agenda was lake loft lighting. Mr. Gourdie stated that he was bringing this item to the board for approval of the model and style. The new fixtures are available from Lowe's at a cost considerably lower than repairing the current wooden poles as they rot out and lean or fall. They are also lower priced than the other new streetlights on property and not as tall, so they won't shine in the lake loft windows. Mr. Gourdie's original plan was to install the new fixtures as time permits, one-third of them each year, using the operating budget rather than reserves.

He explained that there are 20 or 25 poles left over from the lighting project completed on the rest of the property but he didn't want to install them until the board decided what to do with the lake lofts. Mr. Rasmussen asked if the plan was to just do maintenance replacement at the lake

lofts, and Mr. Gourdie said yes. Mr. Erwin, who lives in one of the lake lofts, said about ten of the wooden poles are currently leaning. Mr. Gourdie agreed, stating that the ground there is very wet and the wooden poles rot out at the bases. Mr. Rasmussen felt that the purchase was a normal operating expense for upkeep and didn't see a problem with it.

Mr. Gourdie asked if the board would approve the style he had chosen, which was downward-directed lighting, open so it wouldn't hold bugs, and durable. He said the Association could start with fluorescent bulbs or go with LED. He stated the new fixtures would be a big upgrade from what is currently there.

Chuck Erwin moved and Earl Monari seconded a motion to use the proposed fixtures for the lake lofts. Carl Bauer stated that he had the same problem, that he didn't think the Association should spend money unless it was necessary. Mr. Rasmussen stated the replacements would only be as poles fell over. Mr. Bauer questioned the statement about replacing so many per year and stated that if the Association was just replacing what didn't work, he was okay with it. Mr. Rasmussen stated that only the ones that were bad would be replaced.

Earl Monari asked what the location would be of the 20 or 25 streetlights that are left, and Mr. Gourdie said they would probably be installed along the roads and in some areas without lighting. He stated he was obtaining a quote on running electric to the bus stop areas. Mr. Monari asked if the lights would be installed on Association or Westgate property, and Mr. Gourdie said both. He explained that if there were specific requests, the Association could research and react. A vote was then taken and the motion passed unanimously.

The next item on the agenda was revision of the screen room policy and application. Mr. Gourdie explained that the Association is currently in the second round of major restorations on the buildings, and there are quite a few screen rooms that were put in more than ten years ago on patios and balconies that now have rotting wood that needs to be replaced. The original policy allowed screen rooms to be attached to the handrails, which prevented Association staff from being able to make repairs to handrails without removing the screen room. In recent years, the Association has required screen rooms to be attached to the second four-by-four in from the exterior, and nothing attached to the handrails. Association carpenters also check all the wood before a screen room is allowed to be installed.

However, there have been instances where owners have purchased units with existing screen rooms, and when told later that the screen room has to be removed and reinstalled at their expense, they claim they didn't sign anything and shouldn't be held liable. To rectify this, a new paragraph is being added to the owner approval form requiring them to acknowledge that if their unit has a screen room, if said room has to be removed to replace rotting wood, it is done at the owner's expense. Mr. Gourdie is also proposing that the screen room policy and application be amended to provide more specific information on contractor insurance requirements, to disallow partial patio/balcony screen rooms, to inform the owner that they are responsible for removing and replacing the screen room if needed for scheduled preventative maintenance, and to state that second-floor balconies cannot be attached to the outside four-by-four posts or handrail.

Mr. Rasmussen stated that the one thing he didn't necessarily agree with was not allowing the screen room to be attached to the handrail. He said coming in to the second four-by-four post makes the screen room almost a foot less deep, that his own screen room is attached to the handrail but comes out after removing four screws. Mr. Gourdie explained that others aren't done that simply. The new rule applies to screen rooms being installed and isn't retroactive, and the Association has been requiring that screen rooms be done this way for the past several years. Earl Monari then moved and Tom Leiser seconded a motion, which was approved unanimously, to adopt the changes to the screen room policy and application as proposed.

The next item on the agenda was a sewer line replacement at buildings 505 and 506 Sherwood. Mr. Gourdie explained that the reason he was bringing this item to the board was because it is a large project. He stated that at the end of Sherwood Lane, the last two buildings sit low, and one unit particularly backs up on a regular basis because a 90-foot section of the line remains continually underwater. There are eight or nine work orders for that one unit. In order to fix the problem, the line has to be replaced all the way to the sewer.

Mr. Gourdie stated that he spoke with three different contractors. Roto-Rooter provided a quote of \$25,000 and said they could do the job, but after speaking with the other contractors and knowing what is involved, Mr. Gourdie didn't feel comfortable with them. Coastal's bid was too high, at \$35,000. He liked Horne the best and felt they seemed very competent. Their bid was \$24,730 and included replacing the existing four-inch, schedule 20 line with a six-inch, schedule 40 line. He stated that the problem is not going to go away, because it is a design issue.

Mr. Rasmussen asked how soon the work would need to be done, and Mr. Gourdie responded that that area has been a hot spot for two years. The owner of the problem unit is currently waiting to find out what the board decides at this meeting. Mr. Bauer asked if the replacement could be a reserve item, and Ms. Post stated that she didn't know but would check with the Association auditor. Carl Bauer then moved and Joyce Morris seconded a motion to proceed with the bid provided by Horne if the work can be paid for from reserves. Mr. Bauer asked, in the event it can't be a reserve item, if the work could be done on a smaller scale, only addressing the one building, and Mr. Gourdie stated that this was the only way to fix the problem. A vote was then taken on the motion, and it was approved unanimously.

The last item on the agenda was the policy on delinquent accounts. Mr. Gourdie stated that, although the Association hasn't had any owners yet who haven't been able to pay due to COVID 19, it is still unknown what the future impact is going to be. He suggested the following temporary change to the delinquent accounts policy:

1. Interest that accrues on delinquent second quarter fees will be reversed and no legal action will be taken for a period of one month, to be extended on a month-by-month basis as circumstances dictate.
2. Once the crisis is over, a payment plan will be created for the owner to catch up the delinquent fees. (Maintenance fees by law cannot be reversed or waived.)

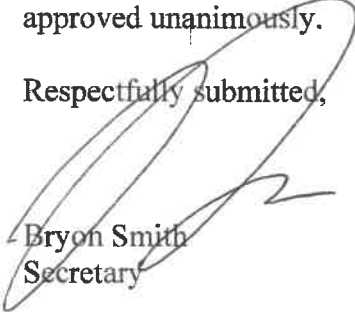
Ms. Post questioned the possibility of not posting interest at all for the current quarter, rather than having to credit back the owners who request it while others pay. Mr. Rasmussen agreed, and suggested that if the Association waived interest for the second and third quarters, it would be simple. But he suggested striking number two of the proposed change because he felt it was ambiguous. The board has done payment plans before. Mr. Gourdie said the board can take it on a case-by-case basis, but the Association cannot foreclose on anyone during the crisis.

Mr. Kuhl asked how the Association would reward the owners who paid their fees in a timely manner and questioned whether others might hold off paying their fees if no interest was charged. He stated that in order to receive financial aid from banks, applicants have to explain their circumstances, and he didn't feel the Association should waive interest across the board. John Rasmussen suggested tabling the item until the June meeting, and the board agreed.

Earl Monari then stated that he would like to add one more thing. He said he has been walking the property for the past month and wanted to compliment the Association staff on their hard work in making the property look good.

At 11:08 a.m., Joyce Morris moved and Carl Bauer seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,



Bryon Smith
Secretary