

**MINUTES OF THE ANNUAL MEETING  
OF THE LACROFT CONDOMINIUM ASSOCIATION  
JULY 7, 2018**

**WELCOME**

Vice-President Ron Bovee welcomed owners to the annual La Croft Condominium Association meeting in the Community Room at 103 West Dixon Street, Charlevoix, MI. Ron explained that he was facilitating today's meeting in the absence of President John Bolhouse who is recovering from a recent hospitalization.

Ron introduced the other members of the Association's Board of Directors –Sue Conway, Stuart Goldblatt, Dale Herder, Chuck Marquis and Helene Predhomme. He also recognized Resident Manager Scott Richards and his wife Lynn Richards who have now been at La Croft for 13 years.

Ron introduced the new owners of unit 304, William Zimmerman and Susan McClanahan of Ann Arbor, MI, as well as Joseph and Paula Silver of Huntington Woods, MI, new owners of unit 504.

He then asked Sue Conway, Secretary of the Board, to call the roll of owners to determine a quorum for the meeting.

**ROLL CALL BY UNIT**

Owners of 47 units were represented at the meeting—42 present in person and five present by written proxy. This constitutes 73% of all owner units, well above the 25% quorum requirement for the meeting.

**APPROVAL OF MINUTES**

Julie Roberts (unit 208) moved to approve the minutes of the 2017 annual owners' meeting. The motion was seconded by Mary Kaye Goldblatt (unit 609) and passed by voice vote with no audible dissent.

**FINANCIAL REPORT**

Treasurer Stuart Goldblatt referred to the Association's year-end financial statements and reported that, with our current quarterly dues structure and the 13<sup>th</sup> month dues, the Association ended the recent fiscal year on budget once again. As discussed at last year's annual meeting, the Board has now established two categories of reserves –“pooled reserves” for unexpected and unbudgeted repair and maintenance expenses and “special

reserves” that can be used only for specifically identified projects in the Board’s 10-year repair and maintenance plan. The pooled reserves will be replenished annually with the 13<sup>th</sup> month dues, and the Board has voted to collect approximately \$2000 per unit per year for the next five years as special reserves for specifically identified repair and maintenance projects (for example, new railings; updating the community room and common areas; roof repair/replacement; and elevator replacement). Stuart explained that there may still need to be an assessment for beachfront erosion control and water intrusion into the building -- matters to be addressed later in the Landscape and Architecture Committee report.

Owner comments indicated support for the establishment of these reserves with some owners suggesting that the 13<sup>th</sup> month and special reserve amounts be collected with the regular quarterly dues for convenience and budget planning purposes instead of billed separately during the year. Stuart said this suggestion will be discussed by the Board. *[The suggestion was adopted by the Board at its organizational meeting later that day.]*

Stuart then introduced Bob Hoffman, the Association’s CPA, to comment on Association finances. Bob’s firm has worked with La Croft for over 20 years. His firm represents more than 50 condominium and homeowner associations and is familiar with best practices in condominium finances. He stated that La Croft finances continue to be well managed through active Board oversight and involvement.

In response to a question about reserve levels, Bob said that La Croft has adequate reserves (approximately \$160,000) and is probably in the 65<sup>th</sup> percentile of associations of comparable size and budget that he advises. However, he recommends that La Croft continue to build reserves, particularly because of the age of the building. He said that mortgage lenders consider a condominium association’s reserves in making loan decisions, and a strong reserve balance can increase the value of a unit at the time of sale.

Next on the agenda was an owner vote to waive the annual state law requirement that a condominium association with annual revenues greater than \$20,000 have its books, records, and financial statements independently audited or reviewed by a certified public accountant annually. The requirement may be waived by a vote of co-owners each year. The Association has waived an audit for the prior four years, and CPA Bob Hoffman, who is familiar with La Croft’s internal financial controls, does not believe an audit (estimated to cost between \$15,000 - \$20,000) would provide much additional useful information. It was moved by Sue Conway and seconded by Mike Predhomme to waive the state audit requirement for the 2018 - 2019 fiscal year. The motion passed by voice vote with no audible dissent but with one written ballot voting NO.

## **LANDSCAPE & ARCHITECTURE COMMITTEE REPORT**

Landscape & Architecture Committee Chair Ron Bovee began his report by noting that the four factors considered in Committee decisions are: Safety, Structural Integrity, Cost,

and Aesthetics. Ron then referred to the Committee's written report distributed at the meeting describing L&A projects recently completed or currently underway:

***Beach & Erosion Control***

Meetings and discussions with the Army Corps of Engineers, the Michigan Department of Environmental Quality and a review of Army Corps monthly reports indicate that Lake Michigan water levels are about the same now as last year. Therefore, the Board is proceeding with R.P. Lyons Marine Construction to clean up the revetments and groins (concrete pillows) along the beachfront by moving the outer revetments now scattered along the beach up against the boardwalk to reinforce the existing revetments for added protection, safety and aesthetics.

***North, Center, and South Towers***

All windows in the north, center and south have been re-flashed to address leaking.

***Building Water Intrusion***

It appears from water intrusion gauges installed on unit 101 that water is seeping into the building aggregate (the material forming the arches and other building supports) during storms and dissipating somewhere within the building causing leakage. Thus, it is possible that leaks in 101 and other leaking units are caused by water intrusion into the aggregate or a combination of the aggregate and the fluted brick. A sealant has been ordered and will be applied on the aggregate next week. Meanwhile, the fluted brick is also being tested for water intrusion.

***Swimming Pool***

Due to a leak in the bottom of the pool compounded by severe weather and ice damage late in the spring, we had to repair the pool drain and refinish the pool. That project has been completed at a cost of approximately \$17,000.

***L&A Committee Long-Range Plan***

The Committee is proceeding with the long-range project timeline presented at last years' meeting that looks ahead ten years to identify needed projects and their anticipated cost. Ron cautioned that the timeline is a "work in progress" and will be submitted to the Board for further study and decision-making.

Following his report, an owner asked if the placement of beachfront rip rap is on hold. Ron replied yes and said it is a worst -case solution in the event the lake level rises to a point of jeopardizing the La Croft pool or other property.

In response to an owner question about pool availability, Ron said that the pool is normally open from Memorial Day (or shortly before) until Apple Fest, weather permitting; however, it was not open for Memorial Day this year because of the repairs he previously described.

In response to a question about the steel footbridge, Ron said the Committee is currently seeking bids for reinforcement of the bridge. This will be implemented by adding X-supports in the railings and additional steel beneath the deck as suggested by Dr Maleck.

## **RESIDENT MANAGER'S REPORT**

Scott Richards, Resident Manager, reported that last winter was fairly mild and fortunately there were no major issues with frozen water pipes. However, April snowstorms put La Croft six weeks behind in readying to open for the season. Major problems were caused by ice buildup in the pool, damaging the steps and causing the costly repairs Ron described. In addition, flower planting was rushed in order to be ready for the season. He acknowledged the help of Dale and Diane Herder and Pat Brinker who planted flowers and Lynn Richards who scraped and repainted all the window boxes. The owners applauded their gratitude.

Scott also discussed current testing for water leaks as reported by Ron.

An owner asked about the absence of hanging flower baskets and flowerpots in front of the building this year. Scott said flower baskets were no longer being hung because they were whipped around by the wind off the lake and destroyed. He will look into the flowerpot question.

Another owner asked if La Croft could have its own recycling program. Scott said that building recycling was tried a few years ago. An area was set aside on the first floor of the center tower; however, lack of adequate space, odor from unemptied pizza boxes and other food remnants as well as the lack of adequate arrangements to transport the material to the recycling center caused it to be shut down. He responded to another owner that Charlevoix does not have a recycling pick-up service so residents must take their own materials to the recycling center.

## **ELECTION OF DIRECTORS**

Ron reminded owners that ballots were distributed in the owners' meeting packet nominating Sue Conway and Doug Walker to three-year terms on the Association's Board of Directors (2018– 2021) . Sue has been on the Board since 2006 and serves as Board secretary. As a first time nominee, Doug introduced himself as a native of Petoskey who is very familiar with the area and with La Croft. He and his wife Helen own unit 605 and Doug currently serves on the Landscape and Architecture Committee.

Ron asked for additional nominations. There being none, it was moved by Dale Herder and seconded by Mike Predhomme that nominations be closed and that Ms. Conway and Mr. Walker be elected by acclamation. Motion passed with no audible dissent.

## **OLD AND NEW BUSINESS**

### ***Rules and Regulations***

Board member Dale Herder directed attention to the document entitled Summary of Important Rules to Remember. He said he did not want to talk so much about rules as about communication. Owners are responsible to communicate the Association's rules and regulations to their families, guests and contractors. He noted that the Summary is posted in the elevators and copies are available on the table outside today's meeting.

Dale then quickly reviewed the rules, reminding that all garbage and trash deposited in the chute must be bagged, with large objects and boxes broken down and taken to the dumpster on our property or to the Charlevoix recycling center. He circulated a photo of a La Croft owner who had to climb into the trash chute yesterday to release large boxes and unbagged materials that were clogging the chute.

### ***New Website.***

Board member Helene Predhomme reported that La Croft will soon have a website. The Association is contracting with a local website developer to develop and host the site. It will contain a public homepage with pictures and a history of La Croft and an owners-only area with a common log-in and password containing links to such items such as the condominium's governing documents, Association forms (remodeling rules, sale or rental approval, voting designation, etc.), and a current owners' roster. An E-Blast feature may be added later to communicate current information to owners.

It was suggested by one owner that current La Croft real estate information would be a good website feature. Another asked if owners could opt-out of paper mailings. Helene said this feature may eventually be available but not at the beginning.

### ***Other Owner Comments***

Ron then opened the floor for any other owner comments or questions. One owner reported that due to a physical problem, she is unable to walk on the beach because of the current unavailability of steps from the boardwalk to the beach. Another owner felt similarly and suggested that the board consider the installation of some temporary steps.

There being no other comments or questions, Ron thanked the group for attending and encouraged owners and their families and guests to attend the evening social event at 6 p.m. in the Community Room.

## **NEXT MEETING**

The next annual owners' meeting will be held on Saturday, July 6, 2019 at 9 a.m. in the Community Room.

## **ADJOURNMENT**

There being no further business to be brought before the meeting, Ron requested a motion to adjourn. It was so moved and seconded, and the meeting was adjourned at approximately 10:35 a.m.

Respectfully Submitted,

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Sue O. Conway, Secretary