

# SUPERIOR SHORES LAKEHOME ASSOCIATION

[www.superiorshores.net](http://www.superiorshores.net)

## BOARD MEETING

October 24, 2011

Eide Bailly LLP  
5601 Green Valley Dr., Ste. 700  
Bloomington, MN 55437-1145

Present: Keith Anderson, Chuck Christiansen, Bill D'Amour, Tim Ryan (by phone at SSLA), Ron Whitcomb.

Absent: Tom Rerah, Greg Shields

LMG: Nancy Harter and Carl Neer by telephone.

Board President, Keith Anderson called the meeting to order at 5:10 P.M.

### **Secretary's Report: Bill D'Amour**

The minutes from the September 19 meeting have been posted to the Superiorshores.net. Bill also reported that the "Financials" section under "Resources" on our website needs to be updated and clarified and he will see that it is accomplished before the annual meeting.

- Annual meeting. All information packets and ballots have been mailed prior to the required 21-day timeline. It is important for members to understand the importance of the vote for the amendments to the By-Laws. We need approval of 67% of the Units, that is 31 Units.
- Candidates for SSLA Board. Other than the current three Board members who are running for reelection, to date there have been no candidates who have indicated an interest in running for the board.
- **Motion: Bill D'Amour/Chuck Christiansen "To approve Secretary's report as corrected." Motion approved unanimously.**

### **Treasurer's Report.**

There is no appreciable difference from the report to the September 19 meeting.

**Motion: Bill D'Amour/Tim Ryan. "To approve the Treasurer's Report." Motion approved unanimously.**

### **LMG Property Management Report: September 2011**

**(All reports are archived on SSLA website)**

#### **Walk Railings:**

The materials for the railing work at unit #23 are in and work will begin as soon as weather and occupancy permits. We will also proceed with the railing work needed at building #3 a.s.a.p.

**Retaining Wall Bids:**

The Amity Creek bid for work on the building #4 retaining wall is in. They are asking \$13,852.44 for timber construction and \$20,261.40 for the Versa-Lok block. They did not submit numbers for native rock.

The final Maple Ridge estimates were \$12,900 for the wall block and \$8,850 for native rock. Their original estimate included the work done with timbers between \$7,000 & \$9,000.

**#4 Walk Proposals:**

We have received estimates from Holm Construction and Amity Creek for an eased walk to the lower level of building #4. Both are proposing floating walks, primarily following the grade of the land at the NE end of the building, rather than a ramp that would meet code for wheelchairs. Holm is indicating that they would have as many as six steps in their plan, with 120 LF of deck. Amity is listing 140 LF and not referencing steps. The estimate from Holm is \$26,186 and from Amity it's \$10,176.60. We'll need to get more details to understand why the dramatic difference.

**Pool:**

The seasonal shutdown of the pool is scheduled with J & J Pool for the 24<sup>th</sup> of October.

**Lift Stations:**

Electric Pump will be up this month for the annual inspection of the sewer lift stations. Just prior to their arrival Lind Septic will do the bi-annual sludge removal from the holding tanks.

Electric pump will also be doing a minor upgrade to the float tree on the lift station at building #7, which has been having problems.

**Winter Prep:**

Supplies for winter will be coming in this month, including hay for the sewer lines and roadway sand. Our current stock of road salt should be adequate for two normal winters.

**Lawns & Landscaping:**

The hardiest of the fall flowers survived three nights of hard freeze, with the help of some garbage bags and old sheets covering them. Despite these harsh temperatures the lawns are still growing. We anticipate the last cutting to be in mid-October.

**Trees:**

We have removed the dead trees and brush at building #7.

**Silver Creek Sanitary District:**

We understand, from Mike Hoops, that Silver Creek has now received enough signatures on their petition to move forward with the Sanitary District and will be scheduling a public hearing in the near future.

**Reimbursements:**

LMG s submitted receipts for reimbursement for September and the billing for the #1 and #6 walkway landings.

**Board Discussion on PMR.**

Subsequent to this report, it was discovered that one of two sewage lift pumps servicing Building 4 had malfunctioned. We need to purchase a new pump at approximately

LMG also recommended that we include lighting on the new railing that was built for Unit 23

**Motion: Keith Anderson/Tim Ryan. "To approve the purchase of the new sewage pump for Building 4 and the purchase of halogen lighting for the new railing on the walkway to Unit 23." Motion approved unanimously.**

**Motion: Ron Whitcomb/Chuck Christiansen. "To approve Property Manager Report. Motion approved unanimously.**

## **Committee Reports**

### **Buildings and Infrastructure: Tim Ryan**

Bids are in for the retaining wall at Building 4 as seen in PMR. We have also received bids for a handicapped walkway for the lower units of Building 4 although the companies' bids are quite different in amounts. Two Duluth companies wouldn't even bid unless architectural plans were drawn.

**Motion: Tim Ryan/Keith Anderson. "To hire Maple Ridge to build a new retaining wall for Building 4, using native rock, and not to exceed \$8,850." Motion approved unanimously.**

### **Grounds and Security: Greg Shields.**

No Report

### **Insurance: Tom Rerah**

No Report

### **Planning and Futures: Chuck Christiansen**

Chuck presented the latest draft of the Capital Expenditure projections through 2042. It shows total for each year that average \$123,000. This projection will be published in the "Financials" on our website.

The statute requires two things:

1. A Capital Expenditure forecast for 30 years.
2. The demonstrated ability to fund those capital expenditures.

Ron suggested that it would benefit the association to have a plan to fund those capital expenditures on an ongoing basis rather than depend on special assessments. Ron presented three scenarios.

Three constant assumptions:

1. There is approximately \$39,500 worth of expenditures that need to be paid for in 2011 out of current cash and receivables for this year.
2. There is an automatic \$35,000 contingency amount that is a cushion against unexpected expenses.
3. We can take \$35,000 from excess cash in the operating fund, moving it to the replacement fund, providing this cushion in the Replacement fund

Ron then presented three possible plans to increase the annual assessments to fund the Capital Expenditures budget. Two of those plans only funded it adequately for 4 years and 22 years out.

The third plan would require an increase of approximately \$5 per month per unit for the next three years and then an increase on that \$5 of 2.75% per year. These numbers are relatively sound estimates but need to be refined before setting our 2012 budget. Both the Capital Expenditure projection and this funding plan need to be reviewed every three years.

**Motion: Ron Whitcomb/Tim Ryan. "To accept the planning and futures committee report."**

### **Old Business**

The Sanitary Sewer District plan of Silver Creek township has now received the required number of signatures to go ahead with their plan for a sewage district running along Highway 61 to the tunnel at Silver Creek Cliff. This plan will not include an assessment for SSLA and will seek state and other funding. It will also make it far less likely that the town of Two Harbors would have a reason to seek annexation of our property.

### **New Business**

David Bjork has not had a compensation increase since 2006 and is requesting an increase of \$2.50 an hour.

**Motion: Ron Whitcomb/Bill D'Amour. "To increase the compensation to David Bjork from \$30 per hour to \$32.50."**

Next Board Meeting. December, 12 P.M.  
Location To Be Decided

**Annual Owners Meeting: Saturday, November 12, 2011**  
Two Harbors Bethlehem Lutheran Church  
601 4<sup>th</sup> Avenue

**Motion: Chuck Christiansen/Bill D'Amour. "To adjourn." Motion approved unanimously. Meeting adjourned at 6:45 P.M.**

Respectfully Submitted,  
Bill D'Amour, SSLA Secretary