

**GRCLT Condominium, Inc.**

**Board of Directors Meeting**

**January 28, 2020**

A regular meeting of GRCLT Condominium, Inc., Board of Directors was held on January 28, 2020, hosted from Marriott Grand Residence Club, Lake Tahoe, 1001 Heavenly Village Way, South Lake Tahoe, California 96150.

**Present from the Board of Directors were:** David Bier, President; James Deatherage, Vice President; Gary Giboney, Treasurer; Jim McBee, Secretary; James Ray Newlon, Director; Lewis Feldman, Director and Bill Whelihan, Director

**Present from Marriott Vacation Club® International, representing the Management Company, were:** Greg Campbell, General Manager; Jodie Guttrich, Market General Manager; Steve Habaradas, Resort Refurbishment Services; Jennifer Kammerer, Assistant Vice President Finance, West; Manuel Sanchez, Director of Rooms; Alberto Valdez, Director of Finance; Lauren Campbell, Assistant Controller Trainee, West and Shaneen Murdock, Executive Assistant

**Owners present were:** Melissa Anaya and Tim Golobic

**Guest present was:** Curt Sproul, Sproul Trost, LLP

**CALL TO ORDER**

David Bier, President, called the meeting to order at 9:04 a.m., Pacific time.

Overview of Senate Bill Section 4900, est. seq. (Open Meeting Act) of California Civil Code  
Mr. Bier reviewed Davis-Stirling Act, Section 4900, Open Meeting Act.

**ESTABLISHMENT OF QUORUM**

Mr. Bier announced with all Board Members present, quorum was met.

**APPOINTMENT OF RECORDING SECRETARY**

Mr. Bier appointed Shaneen Murdock to serve as Recording Secretary.

**PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING**

Notice of Board of Directors Meeting was emailed to each Board Member on November 4, 2019, as required by the Association Bylaws.

**APPROVAL OF AGENDA**

**A motion was made by James Deatherage to approve the Agenda as presented. The motion was seconded by Bill Whelihan and unanimously carried.**

**APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES**

**A motion was made by James Ray Newlon to approve the October 22, 2019 Board Meeting Minutes as presented. The motion was seconded by James Deatherage and unanimously carried.**

**A motion was made by Jim McBee to approve the October 22, 2019 Organizational Meeting Minutes as presented. The motion was seconded by Gary Giboney and unanimously carried.**

**A motion was made by James Ray Newlon to approve the October 9, 2019 Finance Committee Meeting Minutes as presented. The motion was seconded by James Deatherage and unanimously carried.**

**A motion was made by James Ray Newlon to approve the October 16, 2019 Finance Committee Meeting Minutes as presented. The motion was seconded by Jim McBee and unanimously carried.**

## **FINANCIALS**

### **2019 Financials**

Alberto Valdez reviewed 2019 financials. Highlights included:

- 2019 Operating Fund had an unaudited year-end balance of \$138,770, which represents 2.4% of the annual Operating budget. Variances included:
  - Bad debt expense was under budget in the amount of \$53,000
  - Administration and General was under budget in the amount of \$25,000
  - Maintenance was over budget due to contract labor in the amount of \$48,000
  - Utilities were over budget by \$55,000, due to extreme winter weather
  - Front Desk was over budget by \$39,000, due to litigation costs

### **Ratification of Review of Financial Statements**

**A motion was made by Bill Whelihan to ratify the GRCLT Condominium, Inc., Board of Directors review of October, November and December Operating accounts, Reserve accounts, actual Operating revenues and expenses compared to budget, account statements, income and expense statements, check register, monthly general ledger and delinquent assessment receivable reports in accordance with California Civil Code Section 5501. The motion was seconded by Gary Giboney and unanimously carried.**

### **Accounts Receivable**

Mr. Valdez reviewed accounts receivable. Highlights included:

- Uncollected maintenance fees were 1.5%, compared to 1.3% in 2018
- 32 accounts in collection process; seven accounts in foreclosure; 1 account in bankruptcy
- Reviewed seven accounts in foreclosure
- Commercial entities are current on maintenance fees
- 2020 collection timeline was reviewed

### **Reserves**

#### **2019 Common Area Reserve Fund**

Greg Campbell presented an update on 2019 Common Area Reserve Fund projects. Highlights included:

Completed projects include:

- New ice machines were installed
- Garage exit gate arm/operator was installed
- Balcony railings were repainted
- Roof low slope membrane #20 was replaced
- Hot water generator was replaced
- Parking garage sweeper was purchased
- Attic stock was purchased

Projects in progress and the status include:

- Refurbishment projects management – ongoing
- Boiler replacement – ongoing
- Waterproofing and recoating balcony decks – postponed until refurbishment
- Domestic hot water recirculation balancing valve replacement – included with hot water project
- Domestic hot water mixing valve replacement – included with hot water project

**A motion was made by James Ray Newlon to move \$815,011 from 2019 GRCLT Condominium, Inc., Common Area Reserve Fund to the 2020 GRCLT Condominium, Inc., Common Area Reserve Fund for boiler replacement. The motion was seconded by Bill Whelihan and unanimously carried.**

**A motion was made by James Deatherage to move \$97,603 from 2019 GRCLT Condominium, Inc., Common Area Reserve Fund to the 2020 GRCLT Condominium, Inc., Common Area Reserve Fund for waterproofing and recoating the balcony decks. The motion was seconded by James Ray Newlon and unanimously carried.**

### Proposed 2020 Common Area Reserve Fund Projects

Mr. Campbell reviewed proposed 2020 Common Area Reserve Fund projects and related costs as follows:

- Purchase patio paver cleaning machine - \$4,622
- Replace exterior lighting with LED lighting - \$8,480

### 2020 Fractional Reserve Fund Projects

Mr. Campbell reviewed the 2020 Fractional Reserve Fund project:

- Renovation of lobby and villa – ongoing

### **RESORT OPERATIONS REPORT**

Manuel Sanchez presented the resort operations report. Highlights included:

- At year-end, overall Guest Satisfaction Score was 87.7%, compared to 87% in 2018
- Resort activities were reviewed

### **OLD BUSINESS**

#### Executive Session Meeting Minutes

Jodie Guttrich reminded the Board of the paragraph to be included in the meeting minutes in reference to the October 22, 2019 Executive Session as recommended by Association counsel.

#### Disclosure of Actions Taken in Executive Session Following the Open Board Meeting on October 22, 2019:

Following conclusion of the Open Board meeting on October 22, 2019, the Board adjourned to an Executive Session pursuant to Civil Code section 4935 to discuss matters related to: (i) a pending lawsuit involving an employment claim for wrongful discharge (the suit does not name the Association currently); the status of several delinquent assessment collection matters involving several long overdue accounts and what actions are being taken to pursue collection of those accounts; and (iii) the desire of the Board to evaluate the Association's current insurance coverage program in relation to other available insurance program alternatives, if any, given the currently limited insurance options available to owner associations in the Tahoe region.

### **NEW BUSINESS**

#### Owner Day Pass Policy

Mr. Campbell reviewed the Owner Day Pass Policy. Highlights included:

- Owners are to check in at the front desk to secure a day pass
- Owner may invite a maximum of six guests to property

#### Sales and Marketing Agreement

Mr. Campbell reviewed the Sales and Marketing Agreement. Highlights included:

- Marriott's Timber Lodge Sales Center is tentatively scheduled for refurbishment in Spring 2020; Sales requested use of Marriott Grand Residence Club Owner's Lounge and Media Room during refurbishment
- Sales to pay the Association \$5,000/month to utilize the Owner's Lounge and Media Room; payment exceeds the Activities budget for group business which will be forfeited during the agreement term

**A motion was made by Lewis Feldman to approve the Sales and Marketing Agreement as presented. The motion was seconded by James Ray Newlon and unanimously carried.**

#### President's Award

Mr. Campbell reviewed and proposed reinstating the President's Award. Highlights included:

- Service award presented by the Board annually to an associate who went above and beyond in service
- Award presented at the Annual Owners Meeting

#### South Lake Tahoe Area

Lewis Feldman presented an update on the South Lake Tahoe area. Highlights included:

- Event Center final hearing is scheduled for February 26, 2020
- Loop Road project is delayed in final approval stage

#### Announcement of Next Meeting Dates

