



**La Riva Del Lago Condominium Association
Board of Directors Meeting Minutes (Draft)**

Date: 12.2.25

Time: 4pm

Location: Zoom

I. Call to Order

Board President Fred called the meeting to order and confirmed attendees @ 4:08pm

II. Roll Call / Quorum

Board/Attendees Present: Fred, Wayne, Mark, Peggy, (Kevin SRG), Armani SRG, Tressa (Insurance Broker), Rhonda (Insurance)

Quorum was confirmed.

III. Agenda Overview

Fred outlined the primary agenda items:

1. 2026 insurance renewal options and coverage concerns
2. 2026 budget planning, reserve strategy, and proposed dues reduction
3. Annual meeting planning and budget ratification process

IV. Insurance Review and Renewal Planning

A. Renewal timing

- Current policies expire on the 17th; goal is to finalize the renewal package by the 16th.

B. Premium and structure

- Total renewal package discussed at **\$163,006.63** (all lines of business).
- Property coverage is split between **two carriers**.

C. Deductibles and lending considerations

- The Board discussed negotiating deductibles and premium reductions; broker indicated changes can be requested but premium reduction is not guaranteed.
- Broker advised against increasing wind/hail deductible above **5%** due to potential lending eligibility impacts (Fannie/Freddie).

D. Key underwriting concerns / conditions

- Roof age limitations and ongoing maintenance requirements were reviewed.
- Heat requirement noted (maintaining heat above **55°F**).
- Mixed-use exposure and short-term rental exposure continue to impact carrier appetite.

E. General Liability (GL), D&O, Umbrella, and Workers' Comp

- GL concerns discussed, including: assault & battery sublimits and exclusions (including liquor liability and firearms-related exclusions).
- Alternative GL option discussed (Southlake Specialty) with improved coverage at lower cost, though exclusions remain.
- Umbrella coverage constraints noted; some carriers declined due to mixed-use / STR exposure.
- Workers' Comp: broker confirmed employer's liability portion can be scheduled with Evanston umbrella as underlying with no additional premium (to be confirmed in writing).
- Broker noted board minutes should document volunteer activities to support Workers' Comp coverage for volunteers (as applicable).

F. Expected outcome

- Broker stated revised structure is expected to be approximately \$48,000 lower than prior year (final to be confirmed upon revisions).

V. Budget Review, Reserves, and Dues Strategy (2026)

A. Budget framework

- Target annual operating budget discussed at approximately \$480,000 (noted as up from ~\$405,000) to account for increased maintenance and roof-related needs.

B. Reserves

- Reserve contribution strategy discussed. Kevin recommended maintaining a reserve allocation at or above **10% of total revenues** to support lending eligibility and long-term planning.

C. Dues reduction proposal

- Board discussed reducing dues by approximately 25%, targeting \$40,000/month total dues revenue (approx. \$480,000/year).
- Example monthly dues levels discussed (to be confirmed in final budget schedule):
 - 3BR: **\$1,269.98/month**
 - 2BR: **\$987.41/month**
 - 1BR: **\$633.08/month**

D. Major repairs approach

- Board discussed handling major capital items (example: boiler replacement) via special assessment rather than maintaining higher monthly dues.

E. Cash position and receivables

- Operating cash/bank balance discussed (~\$150,000) and upcoming dues receivables (~\$53,000) noted for planning context.

- Commercial contributions toward common-element expenses discussed (approx. \$75,000, confirm in final budget package).

F. Maintenance considerations impacting budget

- SRG advised increasing roof maintenance planning due to likely post-winter repairs.
 - Updated trash cost increase was reported and will be incorporated into final numbers.
 - Electrical work at the 300 level was reported as completed (heat tape and power functioning); cost allocation to be treated as a GCE/common-element expense pending documentation and agreement clarity.
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VI. Dispute and Common Element Definition Clarification

A. Billing dispute status

- Ongoing dispute with Carlos regarding 2025 management fees and expenses; discussion acknowledged prior verbal agreement but absence of signed written agreement.
- Board discussed backdated expense dispute of approximately \$25,000 (amounts referenced across discussion; confirm final figure).
- Board discussed anticipated resolution amount of approximately \$20,000 in addition to insurance costs, consistent with historical billing since January and prior collection posture.

B. Governing document clarity

- Board emphasized the need to clarify definitions of common elements, GCE, and expense responsibility boundaries within the Declaration/Bylaws to support long-term billing consistency and reduce disputes.

C. Next step with counsel

- Board agreed to pursue a formal written agreement with Carlos and his attorney addressing:
 - Common element definitions and responsibility
 - Expense allocation and approval process
 - Management fees and recurring charges
 - Clear deadlines for resolution
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VII. Maintenance Process Improvements

- Board discussed developing a simple SOP/fact sheet for GCE items to standardize approvals and communications.
- Board also discussed a reported incident involving R&H Mechanical and commercial boiler-related work/communication, and the need to ensure SRG/Board visibility on commercial-facing mechanical issues.

Heat mat item: Board discussed whether the heat mat remains HOA property or is returned to storage; SRG to coordinate directly with Carlos and document outcome.

VIII. Annual Meeting and Budget Ratification

- Board scheduled the **Annual Owners Meeting for December 18th at 5:00 PM (Mountain Time)**.
 - Board discussed notice requirements and whether delivery must be by mail and/or email; Kevin recommended sending both methods until confirmed by governing documents.
 - Board agreed the budget and the status of the Carlos dispute should be disclosed to owners for transparency and to support informed ratification approval.
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IX. Motions / Actions (for finalization)

(Add exact motions and vote counts if applicable—none were formally captured in the summary transcript.)

- Consensus reached to proceed toward a 2026 budget around \$480,000 with a proposed 25% dues reduction, subject to owner ratification and final budget reconciliation.
 - Consensus reached to direct broker to revise insurance options with deductible alternatives and clarification on exclusions/umbrella underwriting.
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XI. Adjournment

Meeting was adjourned at 5:39pm 1st by Fred 2nd by Wayne