

Mountainside Villas Owners Association
Board of Directors Meeting
September 6, 2014

Present at the Commencement of the Meeting: Ken Irish, Andy Blaher, Frank Spielman, Rhonda Griffith, Mary Stracener, Peter Stark (telephone), Wayne Ford and Jeff Reid

Absent: Mike Kuzma

Committee Members: Thomas Little, Evvyn Blaher and Michael Robbiani

Representing Management: Jocelyn Carl and Jeremy Grogg

The meeting opened with a motion to waive the reading and approve the minutes from the June 7, 2014 Board meeting. The motion was seconded and approved.

Executive Committee

No Report

Treasurer's Report

Frank Spielman, Treasurer, stated that the financial reports from July look very good. Collections to date are at 90.8% which is slightly above this time last year. The statement of operations indicate that MVOA is operating well within the budget. Refurbishments are slightly over budget due to the ongoing deck replacement project. The reserve fund will be down to an 8-year program by the end of November with an end of the year book value of approximately \$980,000 as the result of borrowing funds for the deck replacement program. Mr. Spielman stated that after reviewing the current reserve policy, he is confident that MVOA has a good policy in place with no need for revision. Experts in the industry recommend that Association's maintain the reserve fund anywhere between a minimum of three months and a maximum of six months of the annual budget. Though currently slightly under this recommendation due to the deck project, MVOA's reserve fund typically falls within this range.

Will Pile, representing MVOA's insurance broker TFA Benefits, met with the budget committee to review employee healthcare insurance options and answer questions regarding the upcoming group health insurance renewal. Renewal of our current United Healthcare plan would result in an increase in costs of approximately 20%. Mr. Pile provided comparisons of insurance options (22) from three companies: United Healthcare, Anthem and Optima. Goodmanagement recommended two of the options for MVOA, which are both with Anthem. The first option has benefits that are comparable to the current MVOA health plan at a cost of approximately 20% less than United Healthcare plan cost. The second option is basically a catastrophic plan with high deductible and "out of pocket" costs resulting in approximately 20% lower cost to the employee. Employees will be able to choose one of the two options. The BoD approved Goodmanagement's recommendations. At a meeting later this month, Will Pile will present both plans to all full-time employees and answer questions they may have about the plans.

O & M Committee & Membership Committee

Andy Blaher, O & M Chairperson, stated that RCI scores for August were all at the Gold Crown level. All vehicles are operational. Maintenance is currently in the process of hiring two maintenance technicians and one groundskeeper. Housekeeping is still looking for inspectors and a part-time laundry attendant. The committees are looking at options for internet solutions to address the continuing problems related to the bandwidth. Mr. Blaher reviewed a couple of options with the board and is confident that MVOA will not be experiencing the internet problems by this time next year. The committees discussed the new washer/dryer initiative. The initiative includes a special assessment of \$125 per unit/week. The assessments will be collected over the course of 3 years based upon the installation schedule. The initiative, if

approved by the owners, will also include a \$5 CEC increase to cover operational cost and future replacement of the washers/dryers. The upcoming newsletter will have pictures of the under counter washer/dryer placement in the kitchen. The committees also discussed replacement of the electric fireplace heaters as parts are no longer available. The committee members will be researching options of replacing the existing electric heaters with either gas logs or new electric fireplace heaters. Options will be presented to the board at the November BoD meeting. The last item for discussion was the capital plan included in the 2015 budget. Mr. Blaher reviewed some of the items on the capital plan including entry ways and bedroom ceiling fans. He also stated that the monies borrowed from the reserve fund for deck replacement will be replaced beginning next year at \$30,000 per year until the \$300,000 borrowed is paid in full.

Policy Committee

Frank Spielman, Treasurer, reviewed the proposed Reserve Analysis Policy, which is a projection of expenditures based upon the items in the units. The system used for the analysis includes the replacement year, current cost and useful life of each item. The policy describes the requirements and the management of the reserve analysis tools and basic operation considerations. Mr. Spielman recommended accepting the policy. A motion was made to accept the Reserve Analysis Policy as written. The motion was seconded and approved.

Great Eastern

Jeff Reid, reporting for Great Eastern, gave an update on the success of the international students staffed at Great Eastern over the busy summer months. The transition into fall remains busy with major maintenance and refurbishment in the units. The Snow Sports Learning Center is currently being built near the Ski Lodge and should be completed by the end of the ski season. Great Eastern's Kids Club is no longer licensed by the state of Virginia because of the complications it caused for the vacationers (ex. having to present immunization records, birth certificates etc.). Once hunting season begins on November 1st, the hiking trails will be closed every day except Sunday.

Nominating Committee

Rhonda Griffith, Nominating Chairperson recused herself from the nomination selection process since she is a candidate for reelection. Mary Stracener, acting as nominating committee chairperson pro tempore, reported that committee reviewed the eleven resumes received. The committee selected and recommend the following nominees to be on this year's BoD candidate ballot: Rhonda Griffith (incumbent), Frank Spielman (incumbent), Starkey Cowand, John Habel, Alan Kovitz and Kenneth Roko. A motion was made to accept the six nominees presented to the board. The motion was seconded and approved. Nominees who are not elected to serve on the board will be sent letters inviting them to serve on a committee. If committee space is still available, those who sent resumes will also be invited to serve on a committee.

Mrs. Griffith raised the question concerning the disposition of non-participating committee members. The BoD's agreed that committee members who miss three board meetings in a row will be notified that they are no longer considered board committee members.

MPOA Representative

Wayne Ford, MPOA representative, stated that approximately 90% of the homes in Massanutten Resort are residential homes. As a result, MPOA is considering changing from optional trash service to charging everyone for trash service. There was some discussion regarding the deer population problem.

Management

Jocelyn Carl, stated that although MVOA has earned the Gold Crown Distinction with RCI again for 2015, she has requested that Mountainside retain Silver Crown Rating as it does not affect the trading power for MVOA owners. After discussion, a motion was made to accept Silver Crown Rating with RCI. The motion was seconded and approved.

Jeremy Grogg presented an update of the online services available through the MVOA website. One of the goals of the website was to gain more owner email addresses. Currently, there are 2,947 active email addresses on file, which has doubled over the last year.

Unit Disposition

Jeremy Grogg, reporting for Unit Disposition committee, stated that thirty-four (34) unit/weeks were listed for the closed bid auction in the June newsletter. There were two (2) bids received, one of which was a single bid from Great Eastern for each unit/week. The other bid received was for a single unit/week. Both bids were reviewed with the board. A motion was made to accept both bids as discussed. The motion was seconded and approved.

PRA (Property Reserve Analysis)

Frank Spielman gave an update on PRA, which is the computer program used to assist with the Reserve Analysis Policy as discussed during committee reports. There are two aspects of the reserves. The first aspect is tracking and accounting the replacement of unit items. The second aspect assures that reserve funds will be available when needed in the future. The cash flow report is a tool that has not been utilized until now. The report was given to the Budget Committee to review the reserve funds needed for future work. Mr. Spielman explained the basic concept of the report and the PRA program to the board.

Old Business

Andy Blaher reviewed the new washer/dryer initiative that was discussed during the committee reports.

New Business

Frank Spielman presented the proposed 2015 budget, which includes a \$15 CEC increase, to the board for approval. The proposed budget will then be presented to the membership for approval at the Annual Meeting in November. A motion was made for the board to approve the proposed 2015 budget which includes a \$15 CEC increase resulting in a CEC of \$455 per week. The motion was seconded and approved. The 2015 budget will be presented to the membership at the Annual Meeting.

With no additional business to be brought before the Board, a motion was made to adjourn. The motion was seconded and approved. The Mountainside Villas Owners Association Board of Directors Meeting adjourned at 11:45 a.m.

Recorded by Jocelyn Carl _____
General Manager

Submitted by Ken Irish _____
Association President

Submitted by Mary Stracener _____
Association Secretary