

Mountainside Villas Owners Association
Board of Directors Meeting
September 10, 2016

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Present at the Commencement of the Meeting: Ken Irish, Andy Blaher, Frank Spielman, Mary Stracener, Beth Tate, Mike Kuzma, Jeff Reid and Kenneth Roko (present remotely)

Absent: Wayne Ford

Committee Members: Evynn Blaher, Joann Springer, Thomas Little, and Bobbie Prees

Representing Management: Jocelyn Carl and Jeremy Grogg

Visitor: Lance Tate

The meeting was called to order by the Board President, Ken Irish. The meeting opened with a motion to waive the reading and approve the minutes from the June 04, 2016 Board meeting. The motion was seconded and approved.

Executive Committee

No Report

Treasurer's Report

Frank Spielman, Budget Committee Chairperson, stated that the financial reports from August looked positive. Collections to date are at 87.7% which is 1.4% below this time last year. The special assessments are at 90%, which are under budget. The statement of operations as of July shows operating expenses are tracking back to what's been estimated. The total association expenses are below what was estimated, largely due to operations and refurbishments being under budget.

Mr. Spielman stated that the committee discussed group health insurance. Reporting that Goodmanagement looked at ten different health insurance options and recommended to the board two (2) of those options. Upon close comparison and examination the decision to remain with Anthem Healthkeepers is in our best interest, which does carry a 14% cost increase that was planned for the 2017 budget.

Membership Committee

Mary Stracener, Membership Committee Chairperson, stated that the RCI scores have dropped a bit with the 12 month scores at: Front Desk 4.6, Housekeeping 4.3, and Maintenance 4.2. Current staffing needs are three full-time maintenance technicians, one full-time and four part-time housekeepers, three part-time inspectors and one part-time front desk clerk.

The committee discussed replacement of counter stools with the decision to look at other options available and revisit the issue at the November meeting. The right retaining wall at 141-145 is in need of replacement and MVOA is in process of soliciting pricing/cost estimates. The 2017 budget does include the retaining wall expense.

O & M Committee

Andy Blaher, O&M Chairperson, stated that the Committee discussed unit maintenance and maintaining the integrity of inspecting and correcting necessary items. The sauna floor tile is cracking in many units. The committee recommended the addition of sauna flooring replacements as necessary in the 2017 capital budget with a plan to complete up to 25 units next year. The washer/dryer installations are on schedule to be completed in 2017.

Policy Committee

No report

Nominating Committee

Kenneth Roko, Nominating Chairperson, reported that the committee reviewed the ten resumes received for the four (4) vacant positions. Three (3) on normal rotation and the one (1) which has two (2) years left on rotation. The following candidates were selected and recommended to be placed on the ballot: Andy Blaher (incumbent), Wayne Ford (incumbent), Michael Kuzma (incumbent), Norm Campbell, Thomas Little, Rick Sourbeer, Joanne Springer and Herbert Wolfe. The three top vote counts will fill the full three-year board terms with the fourth place count serving the two year term. Candidates not elected to serve on the Board will be considered for committee membership. A motion was made to accept the eight nominees presented to the board. The motion was seconded and approved.

Unit Disposition

Kenneth Roko, Unit Disposition Chairperson, referred to Michael Kuzma and he stated that we received some great offers on the units for sale. 56 weeks are available for sale. MVOA received bids on all units offered either from individual bidders or Great Eastern. The Disposition committee recommended withholding five units from the initial 56 offered for sale in the summer newsletter. Eight units were sold to private owners, five units were withheld by MVOA to be used for rentals and Great Eastern bought the balance. MVOA, with the disposition of the 56 units noted above, has 72 units with disposition pending. A motion was made to accept the unit disposition committee's recommendation to accept the received bids to the highest bidder or Great Eastern's offer. The motion was seconded and approved.

Board member Kenneth Roko, Jeremy Grogg from Goodmanagement and MVOA General Manager Jocelyn Carl are having continuous dialog with Great Eastern representatives to develop a strategic plan for unit disposition that benefits both Great Eastern and MVOA.

Policy Committee

No Report.

Great Eastern

Jeff Reid, reporting for Great Eastern reported the Massanutten Bike Park debuted in July. It is one of the mid-Atlantic's largest downhill mountain bike parks with a focus on natural terrain. The park is serviced by the ski lifts with the bikes placed on the lift with the rider to the top of the mountain. There are three (3) levels of trails for all levels of experience. Green being an easy trail, blue being for a mid-level rider and black for the experienced person. A bike patrol staff does monitor the trails to assist any individual that may need help. Bikes are available for rent. A lift ticket and bike rental for the day may be purchased for approximately \$80.00.

The new Massresort.com website debuted this summer offering new and exciting options for Great Eastern owners. E-commerce will be available in October for guests to purchase amenities online in addition to having the option of calling or visiting the concierge desk.

The resorts Fall Festival is scheduled for October 8th with lots of excitement and fun entertainment. A focus on employee safety continues. The goodbye to the seasonal international students has happened. The retail market at the bottom of the mountain is being rebranded to the Market at Massanutten Station as they continue developing resort plans.

MPOA Representative

No report.

Old Business

Ken Irish brought to the table a revisit of a consideration to restructure Board of Director and Committee meeting times. Mike Kuzma asked the Board to consider having the Committee meetings take place on Saturday mornings with the Board of Director's meeting to be held Saturday afternoon. All Board members were offered opportunity to express thoughts and opinion on the matter before placing the suggestion for a motion of approval. A motion was made to hold both committee and the Board of Director meeting together on one day, the motion was not seconded and the current schedule will remain in place.

New Business

Frank Spielman, Budget Committee Chairperson, proposed the 2017 budget, which includes a \$20 CEC increase, to the Board for approval. The \$20 CEC increase would bring CEC to \$495 per week. The \$20 increase is the result of increases in the following line items:

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| 1. Payroll increase: | \$9, |
| 2. Great Eastern Amenities: | \$5, |
| 3. Bad Debt Expense | \$3, |
| 4. Healthcare and other administrative services: | \$3. |

Mr. Spielman stated that the Bad Debt expense is due to 7% shortfall in CEC collections each year. Albeit through the Foreclosure and deed back processes MVOA acquires the unit(s) for future sales. The Foreclosures and deed backs have an administrative cost with neither process recovering the lost CEC. Consequently MVOA must cover the "lost" CEC until the unit is sold. Some of the "lost" CEC can be recovered by renting the unit(s). The "lost" CEC contributes to the overall bad debt expense.

The capital expenditure plan includes returning \$30,000.00 per year to the reserve fund for funds borrowed to renovate the decks. The major Capital expenditures for 2017 are the entry steps, the upstairs bathroom renovations, roofs and the retaining wall.

A motion was made for the Board to approve the draft 2017 budget with the \$20.00 CEC increase to \$495.00, to be presented to the membership at the annual meeting in November. The motion was seconded and approved.

The Mountainside Villas Owners Association Board of Directors meeting adjourned at 11:37 a.m.

Recorded by Jocelyn Carl