

Mountainside Villas Owners Association  
Board of Directors Meeting  
June 03, 2017

Present at the Commencement of the Meeting: Ken Roko, Andy Blaher, Frank Spielman, Mary Stracener, Wayne Ford, Joanne Springer, Beth Tate and Jeff Reid.

Absent: Michael Kuzma

Representing Management: Jocelyn Carl and Dale Goodman.

Committee Members: Evynn Blaher, Stephen White, Bobbie Prees, Rick Sourbeer and Lance Tate.

Visitors: Vickie Skees and Melanie Foster

The meeting was called to order by the Board President, Ken Roko. The meeting opened with a motion to waive the reading and approve the minutes from the March, 2017 Board meeting. The motion was seconded and approved.

**Executive Committee**

No report.

**Treasurer's Report**

Frank Spielman, Budget Committee Chairperson, stated that the monthly CEC's and the Special Assessment were both 84.3% as of May 31st. After a three year decline, the numbers remaining the same as 2016 it's encouraging to see them leveling off which may be in part to the new collection policy implemented in 2016. The Statement of Operations is showing that we are operating in positive territory and we are currently \$18,000 under budget.

Mr. Spielman discussed the delinquent accounts in the Collection Status Report. At the end of March 2017 MVOA had 14 unit/weeks at collections on a payment plan. This compares with over 300 units in collections at the same comparable time in 2016. The new collection policy does bring more units returned to MVOA in need of foreclosure. The foreclosure agreement that is in place with Great Eastern is providing assistance to MVOA. It has worked well with 48 units going through the auction process on May 27, 2017 and approximately 90 are at the attorney's office now working through the foreclosure procedure. Mr. Spielman recognized the coordination efforts of Nicole from Goodmanagement with Great Eastern.

Mr. Spielman reported that management completed the first draft of the 2018 budget and the committee will work on that for the next three (3) months analyzing the 100+ operations line items along with the 20-30 capital line items. The biggest upcoming changes are coming from Great Eastern activities, wages and the refurbishment of the Capital Reserve Fund to bring it back into the 10 year plan.

A motion was made to accept the Treasurer's report. The motion was seconded and approved.

### **Membership Committee**

Mary Stracener, Membership Committee Chairperson, reported that our RCI scores on guest comment cards have been very good this year with Housekeeping 4.6, Maintenance 4.3 and the Front Desk at 4.5. Maintenance and the front desk are fully staffed and housekeeping is in need of two (2) more full-time housekeepers and inspectors. The committee discussed living room furnishings that are slated to begin replacement in 2018. A couple of possibilities have been identified that they will review with the Committee in September.

A motion was made to accept the Membership Committee report. The motion was seconded and approved.

### **O & M Committee**

Andy Blaher, O & M Chairperson, reported that the maintenance PM's and majors are on target to date. The newly hired carpet technician has cleaned 34 units since May. MVOA has two (2) of golf carts in the shop being repaired. MVOA has replaced 117 of the Jenn-Air grills. The Jenn-Air grills are no longer being manufactured and the committee is looking at potential replacement equipment as they age out of service.

A motion was made to accept The O&M Committee report. The motion was seconded and approved.

### **Manager Report**

Jocelyn Carl, General Manager reported with a visual display highlighting our unit changes throughout time here at MVOA and the results of capital investments for renovations.

Inside - Upstairs: the loft renovation, bedroom furniture, bedding, lighting and the bathroom. A complete downstairs renovation with new furniture including artwork, lamps, televisions a new fireplace and flooring. Gutting the downstairs bathroom with a shower addition in 115 units. New kitchen cabinets, counter tops and appliances along with recessed lighting. Outside – new roofing, siding, decking and concrete steps/walkways. The Welcome Center with new flooring and furniture.

Our current projects: installing washers & dryers, flooring, bedroom fans, living room fans, atrium doors and picture windows. Remodeling upstairs bathrooms, flooring and roofing of buildings. New bedroom fans, living room fans, refrigerators, dishwashers, stoves, microwaves and Jenn-Air grills inside.

Outside new handrails and lighting fixtures. Utilizing quality materials that will stand the test of time to help keep our units 'new, fresh and modern'. Upcoming projects: kitchen counters and living room furniture.

A motion was made to accept the Manager report. The motion was seconded and approved.

### **Great Eastern**

Jeff Reid, reporting for Great Eastern, stated that it is exciting to see the changes in our units and keeping them updated. The resort has had a busy spring and the results of opening two (2) new lobby spaces in 2016 worked well. Select Woodstone and Summit refurbishments are nearing completion. A focus on Safety & Wellness continues to be a priority along with RCI scores. Great Eastern is working with a group of JMU Hospitality Student Interns.

There is a resort wide Clean-up day focusing on five (5) areas, planned for June 8<sup>th</sup> with MVOA employees invited to attend. The resort will be having a Customer Service Training week in October and invites MVOA employees to attend a training session starting October 24<sup>th</sup>. 61 International Students have arrived and are in training learning their roles and about the resort.

The Summer Pass Program is now offering several options and early feedback on them has been positive. Campfire Grill will be opening in the later part of June with an exciting menu and new deck seating.

### **Unit Disposition**

Ken Roko, Unit Disposition Chairperson reported that the foreclosure process has been working well and effective. Jeff Reid of Great Eastern affirming that our current disposition process has been effective with no changes necessary.

A motion was made to accept the Unit Disposition Report. The motion was seconded and approved.

### **Policy Committee**

Beth Tate, Policy Committee Chairperson reported that the committee did not meet in June and continues working on updating policies.

A motion was made to accept the Policy Committee report. The motion was seconded and approved.

### **Nominating Committee**

Beth Tate reporting for Chairperson Michael Kuzma reported that Michael Kuzma, Nominating Committee Chairperson has worked with management to prepare the e-mail requesting interested and qualified owners to apply for a vacant board position. The date to have the paperwork returned to MVOA and be for consideration for the 2017 election is August 12, 2017.

A motion was made to accept the Nominating Committee report. The motion was seconded and approved.

### **MPOA Representative**

Wayne Ford, MPOA representative, reported that the summer concert series started June 3<sup>rd</sup> at Hopkins Cabin each Saturday evening beginning at 6:30pm. The next two concerts in the series are July 1<sup>st</sup> and August 5<sup>th</sup> at the Hopkins Cabin each Saturday evening beginning at 6:30pm.

Mr. Ford informed us that MPOA is leading the resort in compiling a group of individuals to form a Firewise Committee. NFPA's Firewise USA program encourages local solutions for safety by involving homeowners in taking individual responsibility for preparing their homes from the risk of wildfire. Firewise is a key component of Fire Adapted Communities – a collaborative approach that connects all those who play a role in wildfire education, planning and action with comprehensive resources to help reduce risk.

MPOA received a letter from US Park Rangers reminding all owners and guests to help prevent attracting wildlife, in particular bears. Please do not place refuse outdoors without a bear proof container nor to place birdfeeders outdoors.

## **Old Business**

Jocelyn Carl, General Manager reported on the documentation MVOA received from APR Associates regarding MVOA's responsibility in meeting ADA Compliance laws. The APR architect visited the property on several occasions while gathering very detailed information. Including visits to the different types of units, accessibility with the amounts of steps, as well as the bathrooms, kitchens, parking lots, walkways and roadways.

APR Associates was surprised to see the amount of work that MVOA does. Accommodating as much as possible to help and assist our owners and guests when they may have a need for ADA accommodations. The Association works to offer arrangements for a less steps unit, use of an access road, providing temporary ramps to selected unit blocks and working with GERC for usage of their full ADA compliant units when available. Attempting to allow easier access for individuals to enjoy their time here at Massanutten Resort.

Ken Roko, President reported further on the findings of this initial assessment completed by APR Associates of the MVOA property regarding: ADA/Accessibility related to time share condos. A synopsis of those findings are as follows: MVOA property may be governed relative to ADA and accessibility standards by the following three items.

- ICC (International Code Council) 1111.1-2012, which is the portion of the building code to which Virginia has applied amendments and adopted as the Uniform Building Code of Virginia.
- Fair Housing Act Design Manual, published by the US Department of Housing and Urban Development
- 2010 ADA Standards for Accessible Design published by the US Department of Justice.

MVOA's needs and APR Associates recommendations going forward, the following is a short form explanation for the differenced in the above documents.

- The ICC International Code Council document is a document produced and updated every three (3) years, for which each state reviews and makes their individual state reviews and makes their individual state by state determinations as to how much of the document and when they will adopt the document as the building code governing the new and renovated built environment in their jurisdiction.
- The Fair Housing Act establishes requirements and guidelines intended to reduce barriers for individuals living with disabilities and to encourage the design and construction requirements applicable to construction of multifamily dwellings containing four (4) or more units built for the first time occupancy after March 31, 1991. (MVOA units were built between 1978 and 1985.)

- The 2010 ADA Standards for Accessible Design was developed as a civil rights legislation and as federal law has the potential of supplanting the other two documents given a conflict in requirement(s). this potential of a conflict is not very likely, though, given that there is a lot of overlap in the standards for accessibility that are quoted and made part of each standard either directly or by reference.

The difference in applicability for these documents are in simple form as follows:

1. ICC deal with construction projects, new, additions, renovations, etc.
2. Fair housing deals in used primarily in new or renovated or retrofitted housing projects.
3. ADA is the law that governs new and existing built environment of various types based on an individual civil rights perspective granting equal access to the built environment.

Conclusion: as an existing project built prior to 1991, until you actually make a change or do work on the property for any reason, it is our opinion that only item three (3), the ADA, actually has bearing on your property's status of compliance.

With our initial review into issues determining the scope of accessibility MVOA needs to become compliant we are of the opinion that eight (8) is the total number of accessible units required. Two of those would be required to have roll-in showers.

MVOA legal representation offered the following response to the review of APR Associates analysis and proposal: Based on the information contained in the letter, I understand that MVOA is a public accommodation, was constructed prior to 1991 and no construction alterations have been made since 1991. Accordingly, the ADA compliance placed on MVOA is barrier removal. The regulations establish priorities for barrier removal priorities for pre-1991 public accommodations. The defense to barrier removal is that it is not readily achievable. Only when barrier removal is not readily achievable are alternatives such as using a unit in another facility potential viable means of accommodation. We need to know that barrier removal is in fact not readily achievable in order to accept this alternate means of accommodation. I would believe that it could be done as a temporary measure while ascertaining of trying to accomplish appropriate barrier removal.

The complete recommendation is being reviewed and studied by the Board of Directors and Committee members. Further reports will be made to the MVOA membership as further discovery happens and decisions are made.

Andy Blaher, O&M Committee Chairperson reported on the repair/replacement of the retaining wall in front of unit block 141-145. The wall had a delay in completing construction due to the discovery of greater underlying soil conditions when work was initially started. That finding required that work stop and MVOA to send out an additional Request for Proposal to have the wall comply with today's requirements and standards with new architectural drawings. Jocelyn Carl, MVOA General Manager sent out nine (9) requests and received two (2) bids in response one for \$149,745 and one at \$92,300. We accepted the lower bid and work is again underway. Completion is expected to be done in early July. The budget for this project was based on the original design. The unexpected additional requirements placed the project \$47,200 over budget. MVOA management and board members have adjusted other capital budget line items (placing some plans on delay, renegotiating other items and finding ways to save) to cover the unexpected project increase remaining within the written 2017 capital plan.

Dale Goodman of GOODMANagement, reported on the 2014-2015 unexpected overage for legal fees that was discussed in a previous Board of Directors meeting. MVOA's additional \$26,000 legal fee occurrence was in response to Utilities, Inc. sending notification of a water price increase. The findings from the legal team that represented MVOA and worked tandemly with GERC for a resort wide unified approach were: A proposed residential 4% decrease, hospitality groups a 26% increase, the Massanutten Water Park up to a 200% increase and a commercial increase of 80%. The proposed collections of funds being utilized to update and complete retrofitting work to the aging system and stay within code. Municipalities generally do not accumulate funds for this type of requirement and will request the increase to accomplish their goal. The results of the team work showed that for every one (1) time share unit served they could serve, five (5) residential units could be served and the increase should be incurred by all equitably. The agreed upon results of the Resort efforts offered an annual savings of \$5,000 to MVOA. To date, all of the capital raised from that last increase has been spent. Utilities, Inc. has requested an additional price increase to complete the project.

## New Business

Ken Roko, President reported on information about Time Share Units and current industry averages regarding resort occupancy, CEC fees, the mix of units by number of bedrooms and average unit size in square feet. Findings found are:

### MIX OF UNITS BY NUMBER OF BEDROOMS

Unit type	Count	Percent
Studio	13,320	7%
1 bedroom	43,720	22%
2 bedrooms	129,200	64%
3 bedrooms or more	14,480	7%
<b>Total</b>	<b>200,720</b>	<b>100%</b>

Percent of 614 respondents – percentages may not add due to rounding

### AVERAGE UNIT SIZES IN SQUARE FEET

Unit type	Square feet
Studio	410
1 bedroom	700
2 bedrooms	1,180
3 bedrooms or more	1,660
<b>Weighted average</b>	<b>1,060</b>

Weighted average based on 395 total resorts. There were 254 respondents for studio units, 443 for one BR, 536 for two BR and 277 for three+ BR.

### OCCUPANCY BREAKOUTS

Type	Percent of time available	Occupancy level (%)	Percent of resorts responding
Owner/Owner's guest	45%	Less than 60	9%
Exchange guest	16%	60–69	9%
Renter	14%	70–79	20%
Marketing guest	5%	80–89	38%
Vacant	20%	90 or more	23%

Percent of 495 respondents, weighted by units – percentages may not add due to rounding

	Active sales resorts	Sold-out resorts
Owner/Owner's guest	46%	44%
Exchange guest	14%	21%
Renter	16%	8%
Marketing guest	6%	3%
Vacant	18%	24%

Percent of 308 active sales resorts, 190 sold-out resorts

Unit type	Maintenance fee
Studio	\$560
1BR	\$710
2BR	\$960
3BR+	\$1,270
<b>Weighted average</b>	<b>\$920</b>

Average maintenance fee	Percent of resorts responding
Less than \$500	10%
\$500 to \$599	15%
\$600 to \$699	17%
\$700 to \$799	11%
\$800 to \$899	6%
\$900 to \$999	8%
\$1000+	33%

Account delinquency status	Percent of accounts
Current (<31 days delinquent)	91.2%
31-60 days delinquent	0.6%
61-90 days delinquent	0.2%
91-120 days delinquent	0.3%
More than 120 days delinquent	7.7%

  

	Percent of respondents
All accounts current	3%
95% to 99% of accounts current	43%
90% to 94% of accounts current	12%
85% to 89% of accounts current	13%
80% to 84% of accounts current	12%
Less than 80% of accounts current	18%

### MAINTENANCE FEE BREAKOUTS

Unit type	Active sales resorts	Sold-out resorts
Studio	\$570	\$540
1BR	\$710	\$690
2BR	\$960	\$940
3BR+	\$1,260	\$1,340
<b>Weighted average</b>	<b>\$960</b>	<b>\$870</b>

Percent of 273 active sales resorts, 363 sold-out resorts

### MAINTENANCE FEE DELINQUENCIES

	Active sales resorts	Sold-out resorts
Current (<31 days delinquent)	92.5%	87.0%
31-60 days delinquent	0.1%	2.3%
61-90 days delinquent	0.1%	0.6%
91-120 days delinquent	0.1%	0.9%
More than 120 days delinquent	7.2%	9.2%

Percent of 146 active sales resorts, 119 sold-out resorts

MVOA 2017 CEC - \$495 53% of the national average  
 Square Footage 1500 ft.  
 2017 Average Occupancy (weeks 1-20) 118 @ 67.43%

No additional business was brought before the Board. The Mountainside Villas Owners Association Board of Directors meeting adjourned at 11:55 a.m.

