

Mountainside Villas Owners Association
Board of Directors Meeting
March 24, 2018

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

Present via telephone conference: Mike Kuzma

Representing Management: Jocelyn Carl and Clinton Wells.

Committee Members: Bobbie Prees, Evynn Blaher, Rick Sourbeer, Lance Tate and Hal Hurka

Visitors: Ed Springer and Vicki Sourbeer

The meeting was called to order by the Board President, Ken Roko. Ken Roko discussed the agenda and order of proceedings for the meeting. He then asked for a motion to approve the agenda. The motion was seconded and approved.

The meeting opened with a motion to waive the reading and approve the minutes from the November 2017 Board and Annual meetings. The motion was seconded and approved.

Executive Committee

No report.

President's Report

Ken Roko, Board President reported that he wants the board to be thinking forward towards 2019 and 2020 with a couple of key initiatives. In 2019 with a property insurance evaluation. In 2020 the property management contract will be due and he recommends that we consider updating the contract originally signed in 2002.

Mr. Roko also reported that the Courier Service Analysis showed that it remains cost effective to continue using the Massanutten courier, to handle courier services ourselves would likely double the costs.

Treasurer's Report

Frank Spielman, Budget Committee Chairperson, stated that members of the Budget Committee are: Frank Spielman, Ken Roko, Andy Blaher, Wayne Ford and Bobbi Prees.

Mr. Spielman presented slides on the MVOA Budget Model which is used by the Board and Management to prepare and execute the budget process. The annual budget consists of two components, the operating fund and the replacement fund. The entire budget process is explained in more detail in the Board of Directors Handbook, Section 6. The reserved fund is a fund that is separate from the annual replacement fund and is to be used for emergency replacements as required. The Board must approve the use of any reserve funds for replacements on a case by case basis. The Board of Directors Handbook, Sections 17 and 28, describe the MVOA Investments and Reserve Fund.

The collected monthly CEC's through February was at 72.67%, .14% above last year 2017.

There was a large discussion regarding discussion HOA owned units and what needs to be done, to lessen our expenses. To speed up the collection process we will increase batch sizes that have been about 70-80 we will now start with a higher number to end with approximately 100. A current batch of 78 should go to auction in May.

The Statement of Operations is showing that operating expenses are above budget along with revenue showing a gross profit of \$16,000. Profit & Loss Summary

Mr. Spielman discussed the delinquent accounts and that the batch in foreclosure would be going to auction in May. The committee has been working diligently on the 2019 budget which will be discussed in new business.

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 HVAC technician will be retiring in April and that management is in the process of interviewing and hiring a replacement. Housekeeping is in need of 9 people, including part-time inspectors and housekeepers plus one laundry clerk. The housekeeping leadership is considering an employee reward program for the employees when discovering problems in a unit before the owner might.

A sample of the new living room furniture is on site with the committee finding that the sample was too large for the unit. The recommended changes will be put into place and a new sample will be provided for the June meeting.

The Jenn-Air grills are no longer produced and replacement parts are not available. The grills will stay in the units until no longer functioning. Additionally, the committee is considering offering a counter top indoor type grill, which would be available for check out at the Welcome Center, with the owner/guest responsible for the condition in which the equipment is returned if damaged. Later this year the exchange companies will be updated with new amenity information regarding our unit amenities.

RCI scores on guest comment cards have been good this year with Maintenance at 4.5, the Front Desk at 4.9 and Housekeeping at 4.6.

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

Nominating Committee

Michael Kuzma, Nominating Committee Chairperson reported that were looking forward to sending out the e-mail blast requesting members that might be interested in serving the association on the Board of Directors, in the past we have had a successful response. The committee continues working on a ballot revision for the annual meeting which will be coordinated with the board secretary.

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

Policy Committee

Beth Tate, Policy Committee Chairperson reported that the committee did not hold a committee meeting and that they continue to work on the RFP process for the Contract Policy.

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

O & M Committee

Andy Blaher, O & M Chairperson, reported stated that members of the O&M Committee are: Ken Roko, Andy Blaher, Thomas Little, Rick Sourbeer and introduced Hal Hurka.

Mr. Blaher reported about the fall findings of units #29 and #34 being in need of a moisture barrier being installed and some wood rot, with the board approving repair work not to exceed \$60,000.00. An additional five units were found to need similar work with all seven coming to a \$70,700.00 total. An RFP was put into place seeking a contractor for the repairs. The funds to be utilized from the operating budget was approved by adjusting other line items. The maintenance staff assessed all remaining units and found that 72 had been completed, 76 were not done with 32 of them having mild mold and wood rot that will be completed by the department staff. The three year project of installing the washers & dryers has been completed slightly under budget.

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

Manager Report

Jocelyn Carl, General Manager reported that there was a small kitchen fire in unit #76 from an unattended candle with approximately \$25,000 to \$30,000 in damage. The insurance company is subrogating the costs with another insurance company.

Ms. Carl, along with other Massanutten Resort managers attended a meeting in early March about the proposed water rate increases, Ms. Carl spoke in the meeting about how the proposed increase would cause a hardship for the Mountainside Villas ownership.

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

MPOA Representative

Wayne Ford, MPOA representative, reported that the Firewise committee continues trying to keep the community safe from fire. MPOA and the resort continues to work on additional walkways to accommodate the individuals walking here on the resort.

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

Great Eastern

Jeff Reid, reporting for Great Eastern, reported that the North Lobby is undergoing renovation in late April/early May to “Bring the Outdoors In”. In mid-May the Conference Center will undergo some construction work to provide updated meeting space and create a welcoming environment for corporate businesses and will hopefully be completed early June.

The Laundry project is slated to be completed in the summer of 2018 with the building being across US Route 33, from the resort. Great Eastern has created an Employee Wellness Committee to assist in teaching employees how to eat better.

The resort proudly now has four golf boards available for rent at the Woodstone golf course. They are somewhat a cross between a Segway meeting a surfboard. For those that have tried them, many are saying they never want to rent a golf cart again.

The water pipeline project is complete. The employees and management of the resort worked hard to be able to open a larger amount of terrain in early December that would not have been possible without the pipeline.

If Mother Nature helps, the slopes may possibly be able to stay open in April, ‘if’ that happens it would be a first in the 46 year history of the resort.

In late May to early June approximately 60 international students will be arriving for the summer.

The water park will be closed for maintenance from Monday September 10th through Sunday September 30th.

Mr. Reid offered a reminder that both of the golf course golf paths are open to those wanting to walk the golf course before dawn and after dusk.

A motion was made to accept the Great Eastern Report. The motion was seconded and approved.

Old Business

Ken Roko, President reported with confirmation from Clinton Wells of Goodmanagement that Mountainside Villas does not receive professional legal services through Goodmanagement. They have in the past when necessary helped Mountainside identify appropriate counsel when needed.

The board concurred that in the RFP for Legal Services that Jocelyn Carl, General Manager is the appropriate contact for any questions or concerns about the process. Ms. Carl would then forward the necessary information to either the Board President or Goodmanagement as she sees fit. This process is being set into place to protect the approximately 4.5 million dollars annual income and our 8,500 plus owners. The counsel that is contracted will be well versed in timeshare law.

A motion was made to accept the RFP Legal Services process. The motion was seconded and approved

New Business

Ken Roko, President reported that The Draft Audit Report has been received and deferred reporting on the audit report to Mr. Spielman.

Mr. Spielman, Treasurer reported that the audit is a summary of the Mountainside Villas financials, showing that it matches well to our December statements showing a net profit of approximately \$65,000.00. There will be a few adjustments in the final report for items such as the old telephone system being removed.

Clinton Wells of Good Management provided details of his request for an insurance evaluation of the property for approximately \$450.00 to better position Mountainside for future bidding on insurance products and services.

Mr. Wells also reported on the results of the three year search for new software for the association. Our current software has served us since November of 2008 and we have recently been informed it will no longer be supported. Goodmanagement researched numerous well known timeshare software companies in business a minimum of ten years. They chose two software packages to examine, both Timeshare Ware and SPI. Upon inspection the SPI software offered all of our needed features, plus some. SPI is a cloud based product that will offer the membership more options.

Mr. Spielman reported that the costs for the new software and the unexpected vapor barrier & mold remediation would be funded with this year's return on investments that will keep the program currently at nine years with any remaining funds from this will be placed back into the investment account.

No additional new business was brought before the Board.

The Mountainside Villas Owners Association Board of Directors meeting adjourned at 12:15 p.m.