

**EDGEWATER BEACH RESORT OWNERS ASSOCIATION  
BOARD OF TRUSTEES ANNUAL MEETING MINUTES**

Saturday, May 4, 2019

**I. CALL TO ORDER**

Marcia Svetkey called the meeting to order at 10:08 a.m. at The Sea View, South Dennis, MA. Thomas Conners led the Pledge of Allegiance.

**II. WELCOME AND INTRODUCTORY REMARKS**

Marcia Svetkey welcomed owners to the Tenth Annual Meeting of the Edgewater Owners Association. Marcia stated that 10 years ago, her fellow Board members worked to keep the Association open while the developer was forced to turn the resort over to the owners. She said it has been a long road, but the resort is in a much better place with the help from the Board and the Management team at VRI.

Marcia introduced the following:

Board of Trustees:

Marcia Svetkey, Chairperson  
Thomas Conners, Vice Chair/Treasurer  
Dennis Ducharme, Secretary  
John Winston, Trustee  
Dottie Fulginiti, Trustee

VRI Americas (VRI) and Resort Staff:

Michael McManus, Director of Resort Operations/VRI  
John Verity, Resort General Manager

Marcia discussed the results from the recent election and reported that Dennis Ducharme was re-elected to a three year term. Marcia thanked Laura Santino for submitting her bio and running for the Board of Trustees. She encouraged Ms. Santino to run for elections in the future and encouraged other owners to also consider participating in the election process. Marcia discussed the role and makeup of the Board explaining that each member is a volunteer and is elected by the owners.

Marcia went on to describe how the Board and Management meets every other month to review the monthly financial statements, discuss capital projects, review day-to-day operations at the resort, deliberate on how to save on expenditures and strategize the best way to keep maintenance fees as low as possible. Even with less meetings, she explained how the Board and Management are working just as hard as before, and with the renovations of the rooms, her involvement has increased along with Dottie Fulginiti of the Design Committee.

### III. RESORT UPDATE

John Verity thanked the owners in attendance for the opportunity to join the Edgewater team and stated that he continues to work with the Board on three main initiatives: open insurance claims, special assessment projects and reviewing resort standards.

John reviewed the following improvements and accomplishments that were completed in 2018/2019 which included the following:

- Beach was cleaned
- Newly painted lobby
- Purchased new picnic tables and beach furniture
- Replacement of the second-floor railings
- The lobby door and floor were repaired
- Drainage on second floor decks was repaired in two units
- New guest computers in the lobby
- Water damage to the floors in units 715/716
- Programable thermostats were installed
- Mobi-Deck panels were installed
- A pool fence with access code entry was installed

John discussed the seven projects incorporated in the Special Assessment and explained how these projects are scheduled for completion over the next few years:

- Room renovations
- Bathroom renovations
- Kitchen renovations
- Replace sliders, windows and blackout shades
- Beach access matt (completed)
- Pool project (completed)
- Building Insulation (completed)

### IV. GENERAL FINANCES

Michael McManus reviewed Finances and Owner Communication reporting that Tom Conners was recently nominated as Treasurer at the April 2019 Board Meeting. Michael reviewed the resort's operating cash flow, stating that there is a 10-year compounded operating deficit of approximately \$509,000 as of the December 31, 2018 fiscal year, which is reduced from \$9,000 at the end of 2017. Reserve expenses are budgeted annually with \$236,000 was spent in 2018 and \$295,000 spent in 2017.

The developer owned approximately 177 unsold intervals at the start of 2018, representing \$164,000 in maintenance fees and Special Assessments due to the Association for the current year; and, \$4,000 has been received through rentals. The owner delinquency budgeted for 2018 was at 8% and the actual delinquency was 19%. Delinquent owners are blocked from utilizing their unit when fees are delinquent, and units are placed into the Association's rental program to offset the unpaid dues.

The resort's financials are moving in a positive direction, but the resort still operates very tight on cash due to delinquent accounts. The Board continues to challenge the General Manager to

seek ways to reduce, reuse and recycle to help decrease costs and each department is asked to look for ways to minimize expenses.

Michael encouraged owners to go green, stay connected and learn more about resort news through email. Owners were asked to contact management, provide their email address and receive monthly email communications through Constant Contact. Other ways to stay connected: visit the resort's website at [www.edgewatercapecodma.com](http://www.edgewatercapecodma.com) to read resort news or view Edgewater on Facebook.

## V. REPORT FROM MANAGEMENT COMPANY (VRI)

Michael McManus discussed the ongoing legal problems with NERM, the developer, and stated that approximately 200 owners continue to wait for a recorded timeshare license. NERM's Attorney Gary Blank has not recorded any licenses for owners in the past year. Michael reported that the Board is working with legal counsel to collect past due fees, taxes and operational shortfalls from NERM via a settlement agreement reached with the developer back in 2012; however, the wheels of justice turn slowly, and this will be an ongoing issue.

Michael McManus reported that with the guidance of the Board, General Manager, John Verity, was hired in February. Michael stated that he has worked with Mr. Verity at another VRI management resort in Mashpee for the past two years and believes he will be an excellent fit for Edgewater.

Michael reviewed the 2018 Year End Financial Statements pointing out a few challenges that occurred over the last year:

- Operational costs were over budget by \$46,806.
- Payroll was under budget by \$25,553 for the year.
- Income was under funded due to delinquent owners by \$273,142.
- 81% of the homeowner's annual maintenance fees have been collected.
- Maintenance fees are due each year upon receipt and payment plans are available.
- Maintenance fee payments must be received prior to the owner using the interval.

Michael presented a PowerPoint presentation that reviewed the services VRI provides. Some of the highlights included:

- VRI provides the following services:
  - Operations Management
  - Property Management Computer System
  - Financial Services
  - Assessment, Billing and Collection
  - Reservation and Owner Services
  - Rentals
  - Sales Options
  - Owner Benefits Program
  - Emergency Services
  - Insurance and Risk Management
  - Purchasing power through VRI's Preferred Vendor Program
  - Training

- VRI's in-house exchange program, Trading Places Exchange, provides the following:
  - Close to 700 resorts participating
  - No annual membership fees
  - Low exchange fees
  - Online booking and exchange

Michael explained that delinquent owners are blocked from the use of their week and that their week is placed in the rental program. Michael reported on how the industry has changed and how the Board has made the changes to benefit the owners by partnering with Vacation Clubs, Travel Companies, Points Programs and focusing on rental programs to help the resort's financial position.

Marcia Svetkey reported that she receives mailings and phone calls from rescue companies weekly. She stated that the scheme known as timeshare rescue continues to plague timeshare owners and their associations. As previously reported, these companies are misleading owners into believing that they can sell their intervals, but they charge exorbitant fees to "dispose" of an owner's interval. Many timeshare owners unwittingly participate in what amounts to fraudulent transaction spending thousands of dollars and potentially placing title to their interval in legal jeopardy.

This creates serious legal exposure for the owner and their Association. Owners are strongly advised not to respond to such solicitations and highly encouraged to contact the Resort's General Manager or the Management Company before buying into their offers (scams) to seek alternative measures to protect themselves, the Resort and the Association.

## VI. QUESTIONS FROM THE OWNERS IN THE AUDIENCE

Marcia Svetkey served as moderator for the Question and Answer Session during which several owners inquired about the reserve account's current balance the status of the room renovations and if the studio units were fully rebuilt and operational.

Owners supported the Board in their personal sacrifices made over the years and on the success of keeping the resort open, well maintained, and making yearly improvements. Owners present were excited to view the studio units after the meeting. John Verity reported that Taylor Ford has units 701-716 open until 3:00 p.m. today for guest to walkthrough and view the renovations.

## VII. ADJOURNMENT

Upon motion made, seconded and unanimously approved, the meeting was adjourned by Marcia Svetkey at 1:02 p.m. Lunch with the owners in attendance followed the meeting.

*Dennis Ducharme*

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Dennis Ducharme, Secretary

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