

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

Monday, August 12, 2019

I. ROLL CALL/CALL TO ORDER

The meeting of the Board of Trustees was called to order by Marcia Svetkey at 9:55 a.m. in Hyannis, MA, at the VRI Office. The following persons were in attendance:

Board of Trustees:

Marcia Svetkey
Dennis Ducharme
Tom Conners
Dorothy Fulginiti

Absent:

John Winston

VRI Americas (VRI) and Resort Staff:

Michael McManus, Director of Resorts/VRI
John Verity, General Manager

II. APPROVAL OF AGENDA

MOTION: Dennis Ducharme moved to approve the agenda as amended. Motion was seconded by Tom Conners and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (06/10/18)

MOTION: Tom Conners moved to approve the June 10, 2019 Regular Meeting Minutes as amended. Motion was seconded by Dottie Fulginiti and approved unanimously.

IV. MANAGEMENT REPORTS

A. Resort Update:

John Verity reviewed the following:

- July 23, 2019 Tornado Damage - A list of items destroyed during the storm and the replacement costs associated with each was compiled and reported to the insurance broker. The deductible was reported to be \$25,000 but should be shared among the three properties affected: Edgewater, SeaWinds II and The Cove at Yarmouth.
- Two glass panels on the roof of the indoor pool building were lost and the building was closed but has since reopened. Estimates for the repairs are being reviewed.

The Board directed John to contact Greg Boyd, Public Adjuster, and secure his services on behalf of the Association.

- Maintenance Department - John reported that there is an opening for the position of Maintenance Department Supervisor and he is conducting interviews.
- Two studio air conditioners were repaired.
- Weekly Owners Meetings – During the last several weeks, the meetings have been very confrontational with owners expecting the renovations to have been completed and not wanting to follow long established resort rules.
- Two insurance claims remain open and are under review.

The Board directed VRI Management to forward the information for the fire claim, the insurance policy and other related documentation pertaining to the April 2018 claim to Attorney Jason Cohn for review.

- Additional radios were purchased and issued to the Housekeeping Department to assist in communications between the Front Desk and Housekeepers during peak check-in and check-out days.

B. Review of Action Items

Michael McManus distributed the action items report from the June 10, 2019 meeting.

C. Owner Communications

Michael McManus distributed two owner communications since the last meeting from Donald P. MacInnis and Michael Kaprinski. The Board reviewed and discussed the email received from Michael Kaprinski and directed the follow up.

V. FINANCIAL REPORT

Jonathan DelNegro joined the meeting at 12:00 p.m.

A. Financials

Jonathan DelNegro reviewed the Financial Statements as of month-end June 30, 2019. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Balance Sheet, Comparative Income Statement and Cash Flow Analysis.

Jonathan distributed and reviewed the draft 2018 Year End Report prepared by DePaola, Begg & Associates, PC. and discussed the notes received from Sean Murphy, CPA, stating that the two areas of concern are dealing with Bad Debt and the need for a strong sales plan.

B. Collections

Michael McManus distributed and reviewed an Accounts Receivable report dated June 30, 2019, showing that 76.4% of the total billable intervals for 2019 have been collected.

C. SeaWinds II

Michael McManus stated that SeaWinds II has met their financial obligation to Edgewater Beach Resort as of month-end June 30, 2019.

VI. OLD BUSINESS

A. Special Assessment/Capital Expenditure Project Report

- i. Design
- ii. Construction
- iii. Budget

Michael McManus reported that GSCF design team will distribute a revised proposal to the Board over the next five days. Michael also reported that Jim Mirabella and several of his employees will be at Edgewater on Wednesday, August 14, 2019, to inventory each room and compile a construction budget for the bathroom and kitchen work needed.

The remodeling/construction work expected to begin approximately in November 2019.

B. Sales

No sales to report this month.

VII. LEGAL COUNSEL

A. NERM Update

Michael McManus distributed a Timeshare Interval Sales Agreement drafted by EBR Attorney Laura Brandow, whereby Attorney Tom Coniaris will hold four auctions a year to sell NERM's 177 intervals as well as assigned inventory owned by the EBR Owners Association with the Association receiving 30% of the sales proceeds. The Agreement had already been approved and signed by Attorney Coniaris and NERM.

MOTION: Tom Conners moved to approve the Sales Agreement and authorize Marcia Svetkey to sign on behalf of the Edgewater Beach Resort Interval Ownership Trust. Motion was seconded by Dottie Fulginiti and approved unanimously.

Dennis Ducharme left the meeting at 1:30 p.m.

VIII. NEW BUSINESS

A. 2020 Budget

Michael McManus distributed and reviewed the draft budget for 2020 as proposed by Tom Conners, Board Treasurer, John Verity, GM, and himself.

The Board discussed the need to address the 19% bad debt, the yearly deficit and the need to grow the Association owner base. Currently, there are over 500 intervals available for sale.

MOTION: Dottie Fulginiti moved to approve a total budget for 2020 of \$2,753,465 with a 11.6% increase, with the maintenance fees at \$496.69/studio, \$722.65/one bedroom and \$994.80/two bedroom. Motion was seconded by Tom Conners and approved unanimously.

B. ABC Policy

Michael McManus discussed the ABC Policy, ARDA-ROC Insert, Letter/Calendar and Trading Places buck slip.

MOTION: Tom Conners moved to approve the 2020 ABC policy as presented and to include an ARDA pamphlet and Trading Places buck slip along with the billing statements. Motion was seconded by Dottie Fulginiti and approved unanimously.

C. Insurance Claim

Marcia Svetkey reported that a Telephonic Board Meeting was held on August 6, 2019. Marcia stated that the Board instructed VRI Management to provide Attorney Jason Cohn and Public Adjuster Greg Boyd, a copy of the 2018 insurance policy, incident report from the fire, emails from the broker and Chubb pertaining to the insurance company's position and the Fire Department's report pertaining to the incident on April 14, 2018. Marcia stated that Attorney Cohn will review the documentation and report back with a recommendation.

D. Open Discussion

The summer newsletter was being drafted and should be out by the end of August.

IX. NEXT MEETING DATE

Board Meeting, Monday, October 14, 2019, 10:00 a.m. at the Resort
Board Meeting, Monday, December 9, 2019, 10:00 a.m. at the VRI Office
Special Meeting, Saturday, May 2, 2020, 10:00 a.m. at The SeaView

X. ADJOURNMENT

MOTION: There being no further business, Tom Conners moved to adjourn the meeting at 3:01 p.m. Motion was seconded by Dottie Fulginiti and approved unanimously.

Dennis Ducharme

Dennis Ducharme, Secretary

MJM/smt

ebr: 081219min