

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

Monday, February 10, 2020

I. ROLL CALL/CALL TO ORDER

The meeting of the Board of Trustees was called to order by Marcia Svetkey at 10:04 a.m. at the Edgewater Beach Resort. The following persons were in attendance:

Board of Trustees:

Tom Conners (via telephone)

Dennis Ducharme

Dorothy Fulginiti

Marcia Svetkey

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 presented. Motion was seconded by Dottie Fulginiti and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (12/09/19)

MOTION: Dottie Fulginiti moved to approve the December 9, 2019 Regular Meeting Minutes as written. Motion was seconded by Dennis Ducharme and approved unanimously.

IV. MANAGEMENT REPORTS

A. Resort Update

John Verity reviewed the following:

- The guest rooms of the east and center buildings are under renovation.
- Five rooms have had the first floor sliding doors, 2nd floor decking and underlayment replaced, and new rubber roof installation with scupper for proper drainage. Also included was some indoor ceiling work, threshold replacement and the large stationary window was replaced as well.
- Northstar serviced each unit's heating and air-conditioning control unit and fans. Some of the fans were replaced as needed.
- The heat and air handler in the indoor pool building was serviced.
- The heating system in the workout room was serviced.

John reported that the July tornado claim is being closed and repair work on the roof will begin in April. A meeting will be scheduled with Greg Boyd, the Public Adjuster.

B. Review of Action Items

Marcia Svetkey and Michael McManus reviewed the action items. Several new items were added, and those items completed were removed from the list.

C. Owner Communications

Marcia Svetkey distributed an email from Scott Grenier, an interval owner. The Board reviewed and discussed the email in which he made a special request for renovations to an individual unit. General Manager, John Verity described how it is normal practice to work with owners and reassign them to other rooms when possible. The Board denied Mr. Grenier's request. Marcia stated she would respond to the owner to provide him with the Board's decision.

V. FINANCIAL REPORT

A. Financials

Michael McManus reviewed the financial statements as of Year End December 2019. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Balance Sheet, Comparative Income Statement and Cash Flow Analysis.

Michael reviewed the resort's operating cash flow stating that there is a 10-year compounded operating deficit of approximately \$817,000 as of the December 31, 2019 fiscal year, which is approximately \$308,000 higher than at the end of 2018. This is mainly due to the outstanding fire insurance claim proceeds which are being disputed with Chubb Insurance.

B. Variance Report

John Verity distributed and reviewed the variance report as of December 31, 2019. The report noted month to date variances as well as year to date. He will be providing monthly variance reports to the Board.

C. Year End Report

Michael McManus distributed an overview from the American Institute of CPA's on the differences between an Audit, Review and Compilation of year-end financial statements and the cost associated with each service.

MOTION: Dennis moved to direct management to retain the Association's current CPA firm for the 2019 Review and tax return preparation and to authorize Marcia Svetkey as Chair to sign the commitment letter from Frank Mello, CPA. Motion was seconded by Dottie Fulginiti and approved unanimously.

D. Collections

Michael McManus distributed and reviewed an accounts receivable report dated December 31, 2019 showing that only 78.6 % of the total billable intervals for 2019 have been collected.

E. SeaWinds II

Michael McManus stated that SeaWinds II has met their financial obligation to Edgewater Beach Resort as of month end December 31, 2019.

VI. OLD BUSINESS

A. Special Assessment/Capital Expenditure Project Report

John Verity reported that over 30 rooms are under renovation. Work began in November and the project is on budget. After the meeting adjourned, the Board walked the property and viewed the progress firsthand.

B. Sales

Michael McManus reported that Attorney Coniaris sold two Association intervals at auction in December 2019, and that the Association received a total of \$2,310.30 in sales commissions.

C. Insurance Claim

MOTION: Dennis Ducharme moved to adjourn to Executive Session at 10:30 a.m. Motion was seconded by Dottie Fulginiti and approved unanimously.

MOTION: Dottie Fulginiti moved to return to Regular Meeting at 10:56 a.m. Motion was seconded by Dennis Ducharme and approved unanimously.

D. BELFOR Invoice

Michael McManus distributed a letter dated January 9, 2020, addressed to Ms. Stacey Schilling, VRI, from BELFOR demanding payment on the \$489,696.58 balance due on the \$1,312,188.18 for services to repair units 701-714.

Michael McManus was directed to work with Marcia Svetkey and send a response from the EBR Board as specified by the Trustees and the advice of Attorney Cohn.

VII. LEGAL COUNSEL

A. NERM Update

Michael McManus distributed a letter dated February 6, 2020 which was sent to Attorney General Maura Healy from the Board on behalf of Edgewater owners who completed the necessary legal paperwork but who have still not received their licenses. The paperwork to get the licenses recorded had been sent to NERM's Attorney Gary Blank in late 2018 but was recently returned to EBR by Attorney Blank without processing.

Michael McManus also reported that NERM has yet again not paid their maintenance fees or settlement payment. The Board directed Michael to work with Attorneys Brandow and Malloy to take appropriate legal action against NERM for non-payment.

VIII. NEW BUSINESS

A. Open Discussion

Michael McManus distributed a letter from Des Armstrong, insurance broker, dated January 22, 2020. The letter references an article by insurance broker, Willis Towers Watson that was published by the Insurance Journal. The article states commercial clients should expect the biggest rate increase in years. The Board discussed the need to get additional quotes for the upcoming renewal.

MOTION: Dennis Ducharme moved to approve management to solicit a bid for property insurance from Rogers and Gray. Motion was seconded by Dottie Fulginiti and approved unanimously.

IX. NEXT MEETING DATE

Future meeting dates are as follows:

Monday, April 13, 2020, 10:00 a.m. - Board Meeting at EBR
Saturday, May 2, 2020, 10:00 a.m. - Annual Meeting at the SeaView
Monday, June 8, 2020, 10:00 a.m. - Board Meeting at the VRI Office
Monday, August 10, 2020, 10:00 a.m. - Board Meeting at the VRI Office
Monday, October 19, 2020, 10:00 a.m.- Board Meeting at EBR
Monday, December 14, 2020, 10:00 a.m. - Board Meeting at the VRI Office

X. ADJOURNMENT

MOTION: There being no further business, Dennis moved to adjourn the meeting at 1:15 p.m. Motion was seconded by Dottie Fulginiti and approved unanimously.



Dennis Ducharme, Secretary

MJM/nb

ebr: 021020min