

APPROVED

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

Tuesday, February 14, 2023

I. ROLL CALL/CALL TO ORDER

The meeting was called to order by Marcia Svetkey at 2:41p.m. The following persons were in attendance via Zoom:

Board of Trustees:

Marcia Svetkey, Chairperson

Dennis Ducharme, Secretary

Steve Castinetti, Trustee

Absent:

Dottie Fulginiti, Trustee

Tom Conners, Vice Chairperson/Treasurer

VRI Americas (VRI) and Resort Staff:

Michael McManus, Regional Director, Resort Operations/VRI

John Verity, Resort General Manager

II. APPROVAL OF AGENDA

MOTION: Dennis Ducharme moved to approve the agenda as presented. Motion was seconded by Steve Castinetti and approved unanimously.

III. APPROVAL OF PREVIOUS MEETING MINUTES (12/13/22)

MOTION: Steve Castinetti moved to approve the December 13, 2022 Meeting Minutes as presented. Motion was seconded by Dennis Ducharme and approved unanimously.

IV. MANAGEMENT REPORTS

A. Resort Update

John Verity commented on the previously distributed Manager's report, which included the following items:

- Insurance premiums have been increasing year over year with all the natural disasters occurring around the world. Covid-19 employment practice cases against companies have also increased the Directors and Officers Policy premiums, and insurance brokers are reporting that the 2023 renewals are anticipated to be up 18% - 23% over the 2022 rates.
- Deck repairs to Unit 214 helped mitigate the recent water leaks in Unit 114.
- Owner resales were strong in January 2023; MVP Marketing has 135 owner listings.
- Small, but strong, winter staff have been servicing the owners' and guests' needs while maintaining budget savings to payroll.

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- Severe winter weather on February 3, 2023, caused several pipes to freeze. Units 118, 116, 126, 236, and 136 were damaged due to water leaks.
- Sedgwick Valuation Service Division was on site in December 2022 and a new insurance appraisal report is due soon. John reported that when the document is received, he will send a copy to the insurance broker and each Board member.
- Special Assessment payments, which were broken up into two payments, require owners to make their final payment on or before May 15, 2023: Studio owners - \$335, One bedroom - \$485, and Two bedroom - \$676.
- A North Carolina electrical contractor working on the Cape Wind Project in Hyannis is renting rooms for his staff for three-week periods.

B. Review of Action Items

Marcia Svetkey went through the list; new items were added, old items were revised, and items completed were removed from the list.

C. Owner Communications

No discussion.

V. FINANCIAL REPORT

A. Financials

Michael McManus reviewed the Financial Statements as of month-end November 30, 2022. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Balance Sheet, Comparative Income Statement and Cash Flow Analysis.

Michael reported that Michelle Thompson, Owner Retention Specialist, collected \$32,945.80 in revenue in 2022, with \$10,000 in expenses and \$22,945.80 in net revenue. However, the balance month-end amount as of November 30, 2022, which was outstanding in 2022, totaled \$527,887 in Operating Funds, \$90,538 in Reserve Funds and \$21,934 in property taxes.

Michael stated the Special Assessment payments from owners in 2022 allowed the resort to remain open and complete several scheduled reserve and Special Assessment projects as directed by the Board, as follows: gym and laundry facility overhaul, South building AC replacement, patio and deck furniture replacement, second-floor decks overhauled, and exterior slider replacements.

B. Variance Report

John Verity reported that he is working on the 2022 year-end Variance Report. John will email the Board a copy once it is complete.

C. Collections

Michael McManus distributed and reviewed an accounts receivable report, dated November 30, 2022, showing that 72.3% of the total billable intervals for 2022 have been collected.

Michael stated that the 2022 Budget was projected to collect 82.72% from the owners. Resort staff will be reaching out to owners to bridge the gap in collections.

John Verity reported that managers and staff at Edgewater were making calls to owners to set up payment plans, answer questions about Resort news, and encourage owners to catch up on past-due balances.

D. SeaWinds II

Michael McManus reported that SeaWinds II is current with their financial obligation as of November 30, 2022.

Michael McManus reported that he was reviewing the sub-management agreement with General Manager John Verity and would be working with David Rappaport, SeaWinds II Treasurer, and Marcia Svetkey, EBR Chairperson, over the next few months on contract items/questions that each Board has raised.

VI. OLD BUSINESS

A. Edgewater Beach Resort North

The Board considers this matter closed, and the topic should be removed from the next agenda.

VII. LEGAL COUNSEL

No discussion this meeting.

VIII. NEW BUSINESS

A. Open Discussion

Marcia Svetkey and Michael McManus reviewed the following several key items:

- 16 accounts require additional review by Attorney Laura Brandow regarding the intervals from the former developer. 2 were deed-related issues, and the others were timeshare license issues. John Verity, Taylor Ford and Michael McManus will be working on following up with Attorney Brandow on each issue.
- Attorney Richard Wholley forwarded funds from the Armstrong Case settlement on February 2, 2023, closing out the Superior Court case no.1:21-CV-10808.
- Call for Nominations, Board Election Process, and the 2023 Annual Owners Meeting, May 6, 2023, via Zoom.

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IX. NEXT MEETING DATES

Future Meetings are scheduled as follows:

- Tuesday, April 11, 2023 at 2:30 p.m. – Zoom
- Saturday, May 6, 2023 at 10:00 a.m. – Annual Meeting (Zoom)
- Tuesday, June 6, 2023 at 2:30 p.m. – Zoom
- Tuesday, August 8, 2023, 2:30 p.m. at VRI Hyannis Office
- Tuesday, October 17, 2023, 2:30 p.m. at the Edgewater Beach Resort
- Tuesday, December 12, 2023 at 2:30 p.m. – Zoom

X. ADJOURNMENT

MOTION: There being no further business, Dennis Ducharme moved to adjourn the meeting at 4:42 p.m. Motion was seconded by Steve Castinetti and approved unanimously.

DocuSigned by:

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Dennis Ducharme, Secretary

5/5/2023

Date

MJM/wc

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