

## **HARBOR COVE TIMESHARE OWNERS' ASSOCIATION**

### **BOARD OF DIRECTORS**

#### **BOARD MEETING –MARCH 19, 2012**

The meeting commenced at 7:00 PM, and all Board members were present, except for Evelyn Schuster.

#### **PRESIDENT'S REPORT:**

There was an issue about an RCI exchange person who brought his dog to Harbor Cove, but this situation was handled amicably. There seems to be a small problem with the timeliness of Brad and Lora submitting reports, but they are working to improve in this area. Ken's goal is to have the highest number possible of owners paying their maintenance fees. In spite of this stated goal, there has been an increase in the number of "non payers" of maintenance fees.

#### **FINANCIAL REPORT:**

- Our income is below budget, at about \$124,000, instead of the budgeted amount of about \$129,000. The shortfall is due almost exclusively to the increase in "non pays." At this point in time, there are eleven "non pays," and there are two or three more "non pays" than last year at this time. Last year at the same time we had collected about \$129,000.
- For calendar year 2011, our spending was about \$124,000, and we were able to add to our excess by \$7,000.
- Thus far in 2012, we have already incurred about \$1,100 in maintenance expenses, and the management fee for Brad and Lora will be increasing on April 1 from \$18,000 to \$19,200 on an annual basis.
- The Board passed a motion to increase our reserves (formally) to \$30,000.

#### **DEED REPORT:**

There is the possibility of two sales, but Cindy has not heard definitely whether the sales actually occurred.

#### **RCI REPORT:**

Joe reported that for the measurement period from September 1, 2011 through February 29, 2012, we are comfortably in the "Silver Crown" category. We had achieved this honor twice in the past, but it has been several years since our Comment Card scores have been in the Silver Crown category. On the other hand, there were several negative comments. Two or three RCI exchange people noted that there was no interaction at all with anyone from Harbor Cove. These comments are surprising because there apparently is a procedure in place such that each RCI guest was to be contacted shortly after their arrival. Joe pointed out that each week in the RCI inventory has been assigned a point value. Winter weeks are good for exchanges to go to another location, and if an owner owns a summer week, trading power is very high because of location and the limited number of weeks available.

Joe pointed out that virtually all timeshares now require that a credit card be presented at check in time. The credit card then serves as a security deposit in event there is damage to the unit. This is becoming an important enough of an issue that Ken will check with Lora to see if some sort of security deposit

system can be implemented for RCI guests. (It was decided that a security deposit is not needed for owners.)

### **IMPROVEMENTS TO UNITS:**

Ken is proposing that going forward our unit improvements be categorized as follows:

- Essential and necessary – We must pay for these improvements as they may be safety issues.
- Value added: personal comfort improvements
- “Investment type” improvements – age or normal wear and tear mean that we must replace appliances, furniture, etc, periodically.
- Physical improvements.

Ken feels that we should set as a target most of the allotted funds to make improvements in the category of “investment type” improvements.

Rich presented bids from several sources to replace cabinets in the units. His thought is that there would be new cabinets, new sinks, faucets, and counter tops. His thought is that work would begin this year and continue, depending on available funds, for one and a half or two years.

There was not a strong consensus to commence work on new cabinets any time soon. It was decided that more research should be done regarding the necessity of cabinet replacement. We should look into Lowe’s and Home Depot regarding the possibility of refacing the existing cabinets, instead of replacing cabinets. For example, Mark reported that in Unit 2 that the cabinets are in very good condition, with only minor scratches.

During the April maintenance week, Rich, Brad and Lora, and Tracy will carefully inspect all cabinets in the six units to determine if there is water damage near the cabinets, and they will also assess the overall quality of the cabinets. There will be a report presented at our next Board meeting.

**BOARD MEMBER ASSIGNMENTS – MARKETING:** This issue was “tabled” until a future meeting.

**ADDITIONAL BOARD MEMBERS:** Ken is suggesting that we may wish to expand the size of the Board by one or two members. This could be a complicated endeavor, as there would have to be a change in By Laws. It was pointed out that the By Laws currently permit individuals to be appointed for special projects. They are not “full” Board members, but this approach may be a simpler alternative.

**NEXT MEETING:** Tentatively the next Board meeting will be held on April 28, 2012 at Mark Ward’s home in Milford. The start time has been tentatively set to be 10:30 of 11:00 AM. More details will be forthcoming.