

HARBOR COVE TIMESHARE OWNERS' ASSOCIATION

BOARD OF DIRECTORS

BOARD MEETING – OCTOBER 26, 2013

The meeting commenced via conference call at 8:05, and all members, other than Jodie Hurckes were present for the call.

PRESIDENT'S REPORT:

- **Annual Meeting:** will be at the Crowne Plaza Hotel in Auburn Hills, MI on November 16, 2013 from 11:00 to 3:00. Rich reported that including Board members, 16 to 18 will be attending.
- Rich asked new Board member John Ballantyne to provide a little background as to his work experience. John advised that he has over twenty five years experience in marketing, advertising, and market research. He then made a career change and obtained a nursing degree and a Master's Degree in Counseling. Rich also mentioned that all Board members will provide a brief summary of their work history at the Annual Meeting.
- **Website:** It was pointed out that Harbor Cove does not have a presence on rci.com. We are one of few resorts without a website in the resort listings. John commented that the Harbor Cove website is a good intranet site. If we do decide to expand our current website or do something different, it is important that we have a webmaster.
- **Board Officers:** All Board members indicated their interest to remain on the Board in their current positions, and thus an election will not be necessary at the Annual Meeting.
- **Owner Feedback Form:** Last year Ken developed an excellent owner feedback form and Joe compiled the results. Unfortunately the Board has not taken action on very many of the significant items mentioned by the owners. Ken again developed a survey form this year which was included in the notice of the Annual Meeting. Joe will compile a summary of the comments. Briefly, he mentioned that there were more than a few owners who appeared to be elderly and unable to use their week at Harbor Cove due to declining health. John suggested that we on the Board call owners to obtain their feedback, and he felt speaking to someone on the phone would lead to more meaningful comments from owners.
- **Selling Weeks:** Steve suggested that we become members of For Sale by Owner, as we might be able to sell weeks the Association owns, or possibly we could rent weeks we own.

TREASURER'S REPORT:

- Our income is about \$1,400 under budget, due to a lower level of maintenance fee income, while our expenses are about \$4,000 to \$4,500 over budget. Steve estimates that the balance in our Discretionary Account is now about \$28,000, while we still retain the \$30,000 balance in our Restricted Reserve.
- Steve also reported that we received a \$100 assessment per unit for the resurfacing of the tennis courts. He stated that there have been many expenses incurred by Harbor Cove Common Property during the year, and their reserves are somewhat depleted.

MAINTENANCE FEE FOR 2014:

- Joe asked about the Maintenance Fee for 2014 and the letter that is sent to all owners communicating the new Maintenance Fee and other pertinent items. He said the letter is usually mailed late in October.
- Joe suggested that the Maintenance Fee be increased by \$5.00 for 2014. Steve agreed with this proposal, as did all other Board members. This would be an increase due to simply keeping up with inflation. There is no provision in the new Maintenance Fee for any work on the kitchens. Hypothetically, if we are to undertake kitchen remodeling, the Maintenance Fee would probably have to increase by \$15 for three years.
- Rich said that the letter to owners communicating the new Maintenance Fee will be sent out not later than the first week of November.

KITCHEN PROPOSAL:

- Rich had distributed four quotes from different sources, and prices are in the range of \$5,000 to \$5,500 per kitchen. It appears that the costs for rebuilding the ledge area behind the sinks and garbage disposals are not included in these quotes.
- Prior to the meeting, Ken distributed minutes from the Board meeting in April of 2012 when the Board voted to install countertops, sinks, and faucets with an estimated cost of approximately \$1,000 per unit. No action was taken on this vote, and it appeared that Rich did not consider this vote when he obtained the quotes he distributed.
- Ken also mentioned his discussion with Brad and Brad's statement that cabinets were not a concern at all except for appearance. Ken also distributed a summary of his discussion with his brother in law who is a carpenter and cabinetmaker. His brother in law indicated that it would be easy and relatively inexpensive to build new drawers with new hardware and sliding mechanisms. He also suggested we look at the possibility of either painting the cabinets or purchasing new doors. In either case, we would accomplish most of what we want for a far more reasonable price. A price was not quoted at this time.
- **Kitchen Update Options:** (1) Select one of the options presented by Rich, or (2) Proceed as voted on by the Board in April of 2012, or (3) Obtain specific prices for the work suggested by Ken's brother in law.
- **Decision:** It was voted to table the discussion regarding the kitchen update for the time being. Rich, John, and Joe will visit Harbor Cove shortly to review the current condition of the kitchens, the master bedrooms, and the entertainment stands, and a report will be made to the Board regarding their findings.