

## HARBOR COVE TIMESHARE OWNERS' ASSOCIATION

### BOARD OF DIRECTORS

#### BOARD MEETING –DECEMBER 11, 2014

The meeting commenced at 7:35, and all Board members, except Cyndy Homeyer were present.

Board members approved Steve Sandor's agenda.

#### **Review of Action Item List from Prior Meeting:**

- In future reports, items still open will be color coded red, and completed items will be color coded green.
- Steve contacted the attorney Joe recommended, Burke Lewis, and additional comments follow.
- Steve did not contact Brad regarding delinquent owners.
- Joe contacted the couple who "won" the use of a week in an auction. They were pleased with the unit, but at this point they are not in a position to buy. Joe did provide them with our website address which includes a listing of weeks for sale.
- At the next meeting a draft of a letter to delinquent owners informing them that they will be charged an additional late payment fee of \$100 will be discussed

#### **Web Site Discussion:**

- We received a billing from Go Daddy, the host of the Harborcovenorth.com website. We need to pay the bill for the website to continue in operation.
- The Harborcovenorth website offers some advantages, like the ability to have it appear on various search engines. The Shutterfly website does not have this capability. However, it could be costly to make changes to the Harbor Cove North website, possibly as much as \$1,500. Board members are unable to easily revise the website.
- Joe pointed out that he had never seen a condo timeshare association's website with the Shutterfly branding. It may give the viewer a somewhat unfavorable impression when comparing our website to that of other timeshare condos.
- Ken and Mark have created documents for the Shutterfly website, and it is "user friendly," and it provides a lot of information to owners. On the other hand, it is not an outward, marketing focused website.
- **Due to cost considerations, it was decided to scrap the Harborcovenorth website and revert to the Shutterfly website.**
- It is recognized that the Shutterfly site does have some shortcomings, and in a future President's letter to owners, we will look for volunteers who could possibly develop a completely stand alone website.
- We should try to get a presence on Facebook, and Steve asked Jodie if she might be able to help in this endeavor. In addition, Jodie will also check to see if Harbor Cove can be linked to the Pure Michigan website.
- We need to get our website address in the written description of Harbor Cove on the RCI website. Joe offered to contact the RCI marketing rep to ensure that this gets done.
- Ken agreed to take over the maintenance of the Shutterfly website.

#### **Financial Update:**

- Mark met with Steve over the holiday weekend, and Mark now has all the financial records of the Association in his possession. Mark complimented Steve on the very complete and accurate records he maintained.
- In the next week or two, the bank accounts at Chase will be closed out, and we will then have our banking relationship with PNC bank.
- Our restricted reserve has a balance of \$30,035.
- Thus far, \$19,150 of the 2015 Maintenance Fees has been collected, and one owner paid the 2014 maintenance fee.
- \$1,800 of charges were incurred during Maintenance Week, primarily for small electrical work. \$964 was also spent on pillows and bedding.
- If the updates to the remaining kitchens are completed during 2015, our balance in the " Excess at Year End" account will be about \$5,000 by December 31, 2015.

### **Approval for spending \$10,000 in 2015 on Kitchen Remodeling**

- Rich reported that the kitchen update in Unit 2 is virtually complete.
- He also reported that Pro Build did not order materials for the two kitchens in a timely manner, and it will be somewhat difficult to get the fourth kitchen completed promptly. It takes a little over a week to complete the work. Brad may have to jockey owners around so that the fourth kitchen can be completed soon.
- Steve supports finishing the remaining two kitchens in 2015 and thereby spending \$10,000 in 2015. By late February or early March we should have a good picture of our maintenance fee collections.
- Rich made a motion, with Joe second, that we complete one kitchen during Spring Maintenance Week, and depending on finances, the last kitchen will be completed in the fall of 2015.

### **Discussion Regarding Delinquent Owners**

- Steve met with an attorney, Joel Moore, who has done some collection work for Lora, but collection work is not what he normally does. He is willing to look at our governing documents and put together a plan to collect from delinquent owners and foreclose on some owners, if necessary. Steve was not encouraged with his meeting with Mr. Moore.
- Steve also met Burke T. Lewis, the attorney recommended by Joe. A number of years ago the Association worked with Lewis to acquire a many weeks in a foreclosure by an advertising procedure. Steve was more encouraged in talking with him. He will look at our governing documents and make a proposal to our Association, which Steve will forward to the Board when received. Lewis says we can foreclose by advertising in the local Petoskey newspaper, but this is rather expensive. Lewis says in his opinion approximately 50% of the problem delinquents "go away" upon receipt of his letter (they pay what is owed), 20% pay up between the time they receive the letter and the sheriff's sale, and foreclosure is necessary in 30% of the cases.
- Joe received a letter from Mr. and Mrs. B with a quit claim for the week they owned. This is a difficult situation in that there is very little time between now and when the week would be used. The Board agreed that they must pay the 2015 maintenance fee. After the maintenance fee is paid, the Board may consider taking the week back, but they should be encouraged to dispose of the week themselves through sale, gifting, etc. Joe will call Mr. B since he received their letter and will report to the Board after the phone call.