

HARBOR COVER TIMESHARE OWNERS MEETING

via Zoom

November 16, 2021

7:00P.M.

I. Called to order:

*7:01P.M. by Board President Ken Newbury

II. Attending:

- *Board of Directors
- *Ken Newbury, President
- *Mark Ward, Treasurer
- *Cyndi Homeyer, Secretary
- *Fred Humig, Director of Rentals
- *Domenico Gabrielli, Director of Rentals
- *Cheryl Schmelzle, Director at Large
- *Penny Cash, Director of Sales and Deeds
- *Management Company
- *Cindy Dickson, Chief Operating Officer
- *Terri Minor, Owner Stays and Exchanges
- *Several owners

III. Welcome, Review of the past and the years ahead: Ken Newbury

*Focus on information not previously sent via email and packet.

*NME:

*Board is conservative in the handling of funds and cost of upgrades to units.

*Anticipate continued struggle of updating units while keeping maintenance fees manageable.

*Ken:

*Recognized Fred Humig for raising over \$30,000 in rental fees which goes toward unit updates.

*Norm Schmelzle (owner and committee member) recognized for his hard work in recruiting a contractor, providing material support and labor to the bathroom remodel in Units 14 and 19.

*A thank you to Jennifer Kirk for the assistance she provided during the remodel.

IV. Manager's report: Cindy Dickson

*Quorum reached with 74 proxy votes received representing 132 weeks owned.

*All individuals on the ballot were re-elected to their Board of Directors positions. No write-in votes.

*Extraordinary projects achieved which have improved the appearance of the units.

*Fall maintenance week required additional scheduling for installation of flooring and bathroom updates; used unrented weeks when possible. Units 5 and 11 to be completed by end of November. Wallpaper removed in one unit, wall refinished - looks wonderful.

V. Financial Overview and Presentation of 2022 Budget: Mark Ward

- *Harbor Cover has a different operating procedure with Cheryl (certified CPA) working with Mark and Cindy. Bank account closely monitored; management team provides monthly expense report.
- *Operate with a break even budget using income from annual maintenance fees, interest income, Rental Fee Recoupment Program, RCI rentals, gifts to Association designated for specific Item(s).
- *Budget changes for 2022 -
 - *Phase 1 fees increasing.
 - *Slight decrease in carpet cleaning cost due to installed upper level hard wood flooring.
 - *Slight increase in cleaning and management fees.
 - *Increase in cable expense.
- *Miscellaneous information -
 - *Approximately \$76,000 saved from previous years has paid for this year's projects.
 - *May have some carryover into next year to apply toward projects.
 - *Law requires a Restrictive Reserves of approximately \$15,000; Association has in excess of that amount should unplanned expenses arise.
 - *Cindy indicated a vote is required to wave the annual audit; Ken made the motion, Cyndi seconded; Owners voted to approve motion as the Board cannot vote on the motion.

VI. Survey Results: Ken Newbury

- *Question put to owners to offer Association controlled weeks at a lower rental rate than maintenance fees.
 - *Results - 72.5% (29 people) agreed; 27.5% (11 people) disagreed

VII. Rental Program Overview; Fred Humig and Dom Gabrielli

- *Dom will be in the leadership position as Fred transitions out of the program. Receiving calls about weeks still available; doesn't anticipate any issues through end of 2021.
- *Fred stated April and November weeks difficult to rent as few activities in the area; feels lower rental fee may generate more income. Previous renters to receive first choice on weeks with contracts mailed in January for prepayment. Currently have \$4,000 approximately in pre-payments.

VIII. Future Improvements:

- *Numerous improvements made; hope to finish remaining projects within next 2 years.
- *Amount of collected maintenance fees will be known in February. Board has discussed possible special assessment to ensure finishing remaining projects.
- *In response to owner inquiry if prime weeks rent for more, Cheryl stated HCTA is not a tax exempt association; would need to pay 32% tax on net profit; no reason for concern if board controlled or delinquent owner weeks rent for more as should be able to write off maintenance/deed expense/most of account receivable from rental fee(s).
 - *Cindy indicated rental fees for owner weeks is applied to the owners delinquent fees.

VIII. Adjournment:

*Ken asked if there were other questions or comments. None asked or stated.

*Motion made to adjourn and motion seconded. Motion approved.

*Meeting adjourned at 7:40P.M.