

**Harbor Cove Annual Meeting Minutes**  
**November 12, 2022, 10:00 am**  
**Via Zoom**

Members Present: Cheryl Schmelzle, Don Scheible, Fred Humig, Mark Ward, Phil Beaudette, Sue & Rick Tondera, Dom Gabrielli, Jeff Mason, Al Rowe, Penny Cash  
Present from Northern Michigan Escapes (NME): Terri Minor, Cindy Dickson

1. President Cheryl Schmelzle called the meeting to order at 10:06 am.
2. Introductions: Cheryl introduced current board members and board applicants.
3. Minutes: Minutes of the 2021 annual meeting were briefly reviewed; Mark moved to approve them as written; Cheryl seconded and the motion carried unanimously.
4. Cheryl reported on the following:
  - a. We are keeping the website updated to disseminate information to keep mailing costs to a minimum, including quarterly newsletters and HCCP construction project updates.
  - b. The special assessment early pay discount has been extended to 12/31/2022. Funds are being kept separate from operating funds and the board will decide how to spend them. Among other things they have discussed new water heaters, furnaces, A/C.
  - c. We budgeted appropriately for the Community Center rebuild. Cost per unit will be about \$10,800 which translates to \$30-\$40 per week for 10 years; there will be a prepay option once the construction loan converts to a mortgage.
  - d. There are currently 66 weeks that are owned by our association or that are delinquent. Fred did a great job renting these weeks, but effective January 2021 NME took over; Fred and Penny are referring their networks to NME for rentals. NME has professional photos now and the HCTS website links to NME's.
  - e. The board would like to recruit owners to assist them with whatever skills they may have, e.g. an attorney who can process foreclosure by advertisement, other skill sets that could help save HCTS money.
  - f. Reported we lost our Silver Crown status. Cindy reported that all categories over which NME has control exceeded the threshold, such as unit interior maintenance, cleaning, ease of checkin/checkout. Categories that pushed us below the threshold were exterior items over which we have no control, such as no grills, full dumpsters.
5. Manager's report:
  - a. Proxy voting – With proxies and owners in attendance there are 126 weeks represented, which exceeds the 105 required to constitute a quorum.
  - b. Mark moved to waive the annual audit requirement for 2022; Penny seconded and the motion carried unanimously.
  - c. Phase I policies regarding smoking, pets, towels/clothes on railings were discussed and it was noted that NME posts notices in the units.
  - d. For issues that owners find in units that need to be addressed, Terri requested that they reply to the arrival email they receive on Monday send a message to [terri@nmesCAPES.com](mailto:terri@nmesCAPES.com) during their stay, not on Friday after they leave. This allows the NME staff to be prepared with necessary materials to address those issues when they arrive to clean on Friday.
6. Treasurer's report: Mark reviewed the expenses and explained how the board establishes the annual maintenance fee each year. 2023 will be \$695 with the increase being largely due to the Community Center rebuild and increased insurance costs.
7. Q&A:

- a. Jeff Mason: Will HCCP construction cause the outdoor pool closed next summer? Yes, it will be closed for safety reasons. He also reported the dryer in #11 is not working well.
- b. Sue Tondera: Does the RCI rating downgraded does it affect point value? Fred reported that RCI's point values are strictly based on supply and demand, and are evaluated annually, so the loss of the Silver Crown status won't affect this.
- c. Al Rowe: If we aren't collecting on delinquent weeks, have we considered a deed in lieu of foreclosure? Yes, we are doing that as soon as an owner passes.
- d. Rick: Can delinquent owners use their weeks? No, and they also can't trade with RCI as all deposits have to be authorized by NME.

There being no further business, Fred moved to adjourn; Rick seconded and the meeting adjourned at 11:22 am.