

Meeting of the Board of Directors of the Neptune House Owners Association

November 8, 2019

The Board of Directors (the "Board") of the Neptune House Owners Association (the "Association") met telephonically by conference call at 7:30 a.m. on Friday, November 8. Members Jeff Anliker, Douglas Carnahan, Cheryl Moore and Phil Totino were in attendance (member Mark Morrissette was unable to attend). Also in attendance were Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of VRI Americas (VRI).

Administrative Items

Upon motion duly made and seconded, the Board voted to approve the minutes of its meeting on October 4, 2019, as circulated in advance to the Board members.

Secretary Chris Lindgren reviewed the proposed timeline for the Owners Meeting to be held on March 28, 2020, including the preparation of materials for the nomination of candidates for director. The Board is scheduled to approve the Annual Meeting Notice and Call for Nominations, along with the Nomination Form, at its December 6 meeting, with those materials to be mailed to owners on January 6. Nomination forms will be due back to the Secretary by February 6, 2020. The Board will then approve the Annual Meeting materials on February 7, to be mailed to owners the week of February 17; those materials will include a cover letter, meeting agenda, ballot, candidate statements, the minutes of the 2019 Owners Meeting, and the annual financial report for 2019. At its March 6 meeting, the Board is to review the slides for the Owners Meeting and materials for an owner newsletter, to be sent to owners during the week of March 30.

Resort Management

Mike McManus addressed remaining repair and maintenance and reserve projects, indicating where quotes are still needed for projects scheduled for this fall and the spring of 2020. The Board approved quotes by Gabor Construction, Inc. for employee housing repairs, and for window, wall and roof repairs involving units 4, 5 and 6 on the ground level of Building A. In light of the discussion, Mike and Resort Manager Samantha Disotell indicated that they would update the resort's Five Year Property Improvement Plan.

Samantha indicated that the resort has rooms available for the upcoming Thanksgiving Holiday Stroll.

Sales and Marketing

Samantha confirmed that Hello Vacay had sold a total of only six shares during 2019, with none having been sold in October. President Phil Totino noted that over the last three years only a total of 12 Association-owned shares have been sold by sales firms hired by the Board, significantly fewer than the 10 sales per year that had been originally anticipated.

Mike reported on the status of placing Association-owned inventory for rent on booking.com and other travel websites, and for rent through RCI. Mike also reviewed VRI's "source of business" report, identifying the volume and sources of rental income. Phil asked that VRI work to incorporate additional information into its monthly rental reporting.

Phil noted that, as new pictures have been added to the redesigned resort website, that new website can now be implemented. Mike indicated that he would provide additional information to TripAdvisor in order to remove stale pre-2016 reviews, and would work to update the booking page on the new Neptune House website to the style used on the new websites of other VRI resorts.

The Board reviewed mock-ups of alternative designs for a new main sign for the resort, to reflect the resort's new tagline, and approved a sign with a minor modification to the spacing of words.

Phil addressed changes contained in the latest version of the Marketing Plan document as circulated in advance to the Board members. Upon motion duly made and seconded, the Board then voted to approve the Marketing Plan as circulated.

Director Jeff Anliker indicated that, with the adoption of the Marketing Plan, the Marketing Committee will discuss how it should proceed.

Phil commented on charts measuring the awareness of Neptune House produced by Facebook and Instagram over the past year and noted that further action would need to be undertaken to enhance the effectiveness of the resort's social media presence. He also noted that additional updates remain to be made to the Interval International website, but that all that can be done to update the RedWeek website has now been done.

Financial Management

Phil addressed the September 30, 2019 financial report as distributed in advance of the meeting, and the variance report regarding revenues and expenses that Mike and Samantha had prepared.

Phil noted that, as of October 31, 98.3% of fees had been paid, unchanged from September 30.

Phil observed that, as of November 1, VRI reported that the resort owned 124 shares in the 30-week resort season (the same as at September 26), and that – when accounts placed with attorney Rodio for collection are also taken into account – there were 130 non-performing shares at November 1 (one less than at September 26). Phil noted that the comparable number of non-performing shares at the end of 2018 was 121.

Phil indicated that he would draft an email for VRI to send to owners listing prime week shares that the Association has for sale, with interested owners to contact Samantha; the Board at its December 6 meeting could then approve any ensuing offers.

The Board reviewed VRI's proposed Rental Policy and Rates for 2020, to be posted on the VRI website. After discussion, upon motion duly made and seconded, the Board voted to approve the Rental Policy and Rates as proposed, with changes to set the Studio rate for the period September 26, 2020 to November 6, 2020 the same as the Studio rate for the period April 11, 2020 to May 22, 2020, and to reflect updates to the extra cleaning fee deducted from the rental proceeds paid to an owner if two cleanings are needed for a week.

Agenda Items for Next Meeting

Phil indicated that the closeout of the resort season, the agenda for the March 28, 2020 Owners Meeting, and articles for the April newsletter, along with drafts of the Annual Meeting Notice and Call for Nominations and the Nomination Form, are to be addressed at the Board's December 6 meeting.

Executive Session

Samantha Disotell left the meeting. The Board members then met in executive session with Michael McManus and Secretary Chris Lindgren, during which time the Board approved end-of-year bonus amounts for resort staff.

Following the executive session, upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:42 a.m.

Respectively submitted



Chris Lindgren, Secretary