

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

January 10, 2020

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, January 10. Members Jeff Anliker, Cheryl Moore, Mark Morrissette and Phil Totino were in attendance; member Douglas Carnahan 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 December 6, 2019, as circulated in advance to the Board members.

President Phil Totino noted that the Annual Meeting Notice and Call for Nominations for candidates for the Board of Directors had been sent to owners on January 6. Phil reviewed the items to be included in the next mailing to owners to occur around February 17, including a cover letter from the Board, the agenda for the March 28 Owners Meeting, a ballot for owners to indicate their choice for the two positions open on the Board of Directors, statements from the candidates for those Director positions, the minutes of the March 30, 2019 Owners Meeting, and the resort's 2019 annual financial report and accompanying Treasurer's letter. Phil indicated that he would prepare a draft of the cover letter, and Treasurer Mark Morrissette indicated that he would work to obtain accountant Adam Urban's review of the 2019 financial statements for use in preparing the financial pieces. The Board indicated that it would review the materials to be included in the mailing at its February 7 meeting. Secretary Chris Lindgren reported that one Director candidate nomination had been received to date.

The Board discussed slides to be prepared by presenters at the March 28 Owners Meeting, drafts of which are to be provided to Phil by late January. Phil indicated that he would prepare draft slides regarding sales and marketing efforts, and would also circulate to the Board for comment a draft newsletter for VRI to mail to owners following the Owners Meeting, reporting on the meeting and other developments.

Resort Management

Mike McManus and Resort Manager Samantha Disotell provided an update on repair and maintenance and reserve projects, including a reduction in the scope and cost of drainage improvement work around Building B and a reduction in the cost of replacement fire control panels. Phil indicated that he would work with Mike and Samantha to modify the resort's Five Year Property Improvement Plan to reflect updated project timing and costs.

Financial Management

Phil addressed the November 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 observed that, as of the end of 2019, VRI reported that the resort owned 124 shares in the 30-week resort season (the same as at November 26, 2019), and that – when accounts placed with attorney Rodio for collection are also taken into account – there were 130 non-performing shares at end of 2019

(again, the same as at November 26). Those numbers do not reflect the sale of two summer weeks, which sales have yet to be finalized. Phil noted that the comparable number of shares owned by the resort at the end of 2018 was 116 and the comparable number of non-performing shares at the end of 2018 was 121.

Sales and Marketing

Phil addressed minor revisions to the Reseller's Handbook, including updates to reflect 2019 sales data and the option to post to the Neptune House Owners private group on Facebook. Upon motion duly made and seconded, the Board voted to adopt the Reseller's Handbook as so revised. Phil indicated that he would look into MVP, a timeshare unit reseller suggested by Mike for possible inclusion in a later version of the Reseller's Handbook.

Director Jeff Anliker reported on the activities of the Marketing Committee. The Board, as recommended by the Committee, approved spending \$500 for advertising the resort in connection with the annual fundraising swim held by the Committee for the Great Salt Pond in July. The Board reviewed a revised report on social media metrics, and it discussed a proposal from Tania Picard of Social Synergy Services for periodic travel blogs featuring the resort, in addition to the current services that she provides. The Board also discussed having Tania monitor the 14 thousand-member Block Island public group on Facebook, with an eye towards getting the resort's name in front of that community. Jeff indicated that he would follow up with Tania.

Phil noted that the resort's redesigned website went live on December 11.

Mike indicated that revisions to the VRI booking page and to the VRI monthly rental reporting to address the Board's concerns were still in progress. Mike also reported that 35 shares of Association-owned inventory in May and October had been placed for rent with RCI.

Mike reviewed VRI's report detailing fees paid to VRI in 2019, and responded to questions from the Board.

The Board noted that the initial supply of the Block-opoly game, which includes a Neptune House square, had sold out, and that the Chamber of Commerce has placed a follow-up order.

The Board noted that revisions to the Neptune House description on the Block Island Chamber of Commerce website had been made – with some minor corrections still needed, and that updates to the photos on the Interval International website remain to be made.

Agenda Items for Next Meeting


Phil indicated that, at its February 7 meeting, the Board will review the documents to be mailed to owners around February 17, the draft slides for the March 28 Owners Meeting, and the draft newsletter to be mailed to owners following the Owners Meeting. The Board will also review guest satisfaction results reported by Interval International and a preliminary projection of 2021 maintenance fees. Phil noted that the status of the Association's tax filings being prepared by the resort's accounting firm will be discussed at that meeting.

Executive Session

Mike McManus and Samantha Disotell left the meeting. The Board members then met in executive session with Secretary Chris Lindgren present, during which the Board conducted a self-evaluation of the Board's performance.

Following the executive session, upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:27 a.m.

Respectively submitted



Chris Lindgren, Secretary