

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

December 11, 2020

The Board of Directors (the "Board") of the Neptune House Owners Association (the "Association") met online using Zoom videoconferencing technology at 7:30 a.m. on Friday, December 11, 2020. All members (Jeff Anliker, Douglas Carnahan, Cheryl Moore, Mark Morrissette and Phil Totino) were in attendance. 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 November 13, 2020, as circulated in advance to the Board members.

President Phil Totino reviewed a proposed agenda for the Owners Meeting to be held via videoconference on March 27, 2021, and discussed articles for the follow-on newsletter to be sent to owners in early April.

Secretary Chris Lindgren then reviewed the Annual Meeting Notice and Call for Nominations, along with the Nomination Form, to be mailed to owners by VRI on January 11. Nomination Forms will be due back to the Secretary by February 11, 2021, so that the Board can approve the Annual Meeting materials at its February 12 meeting. It was agreed that those Annual Meeting materials are to be mailed to owners by VRI around February 22, 2021.

Resort Management

Resort Manager Samantha Disotell reported on the closeout of the resort season, indicating that the resort, once open, had had a successful year. She reported that owners had enjoyed the pool and firepits, once those were made available for use, and that owners had followed the resort's COVID-19 rules as well as the resort's no pets and no smoking policies.

Samantha and Mike McManus addressed remaining scheduled 2020 repair and maintenance projects and projects on the resort's Five-Year Property Improvement Plan, noting that fire control panels and related sensors have now been replaced in both Building A and Building B. Phil reiterated the urgency of obtaining a pool cover and replacing the boiler in Building B, in order to reduce heating costs. Samantha and Mike indicated that they are researching costs of a propane-fueled boiler versus an oil-fueled boiler, with the goal of replacing the Building B boiler as soon as possible. The Board also reviewed a quote received for tennis court work in Phase 3 of the Recreational Amenities Project, noting that, unless another anticipated quote is lower than the one submitted, it may be necessary to reduce the scope of, or delay, the Phase 3 project. Phil indicated that he would prepare a revised Five-Year Property Improvement Plan for the years 2021 through 2025, updating costs where available and adding projects scheduled for the 2025 year.

Financial Management

Chris reported that the resort's application for forgiveness of the Paycheck Protection Program loan, that the resort received in May, will be filed once Washington Trust indicates that it is ready to accept the resort's filing, anticipated to be by year-end.

Phil addressed the October 31, 2020 financial report as distributed in advance of the meeting, as well as the financial status summary regarding revenues and expenses that Samantha and Mike had prepared.

He noted that there is an \$11,000 year-to-date shortfall in results against budget as of the end of October, which if not made up will reduce the amount of any Operating Fund surplus carried over to 2021.

Phil also reviewed payments to date, noting that despite the COVID-19 pandemic 98.4% of 2020 maintenance fees have been paid by November 30, versus 98.3% paid in 2019.

Phil observed that the resort owned 128 shares in the 30-week resort season (four more than at December 31, 2019), but with five further deedbacks in process.

Sales and Marketing

Director Jeff Anliker reported on the activities of the Marketing Committee. The Board discussed expanding marketing efforts on Facebook.

Phil reviewed social media metrics through November.

Samantha reported that the Block Island Christmas Stroll was called off due to COVID-19 concerns, and as a result four reservations for Thanksgiving weekend were cancelled, resulting in only two units being rented that weekend. Samantha further reported that there are arrangements for nine long-term winter rentals with island contractors, which are anticipated to provide \$30,000 of rental income.

Phil reviewed a report prepared by VRI on the feasibility of the resort using SiteMinder software to enable coordination of resort rentals across multiple online rental platforms. Given the cost and limited benefit of the SiteMinder software, the analysis indicates that using that software is not warranted.

Samantha indicated that a sale is pending for one of six Association-owned prime shares that were advertised to owners and social media contacts in November. Phil indicated that follow-up emails are planned with respect to the remaining prime shares, with the hope that all of the units will be sold.

Agenda Items for Next Meeting


Phil indicated that the preparation of documents for mailing around February 22, and assignments for preparing slides for the March 27, 2021 Owners Meeting, along with a review of the Reseller's Handbook and VRI's fees report for 2020, as well as the Board's self-evaluation of its performance, are to be addressed at the Board's January 8, 2021 meeting.

Executive Session

Resort Manager Samantha Disotell and Mike McManus left the meeting. The Board members then met in executive session with Secretary Chris Lindgren present.

Following the executive session, upon motion duly made and seconded, the Board voted to adjourn the meeting at 9:40 a.m.

Respectfully submitted



Chris Lindgren, Secretary