

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

September 8, 2023

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, September 8, 2023. Members Douglas Carnahan, Dave Cohen, Mark Morrissette and Phil Totino were in attendance (Member Cheryl Moore 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 special meeting on May 12, 2023, as circulated in advance to the Board members.

President Phil Totino indicated that the September newsletter, as included in the advance materials for the meeting, will be emailed to owners following the meeting.

### Operations Review

Phil reviewed the Status Report as of August 28, summarizing the status of 2023 projects on the resort's Repair and Maintenance Project List and Five-Year Property Improvement Plan, as well as marketing, rental and sales activities and the resort's financial status, and he responded to questions from Board members. Resort Manager Samantha Disotell reported on deficiencies to be addressed as a result of the State Fire Marshal's inspection of the resort in July.

Phil reported that a non-judicial foreclosure auction took place on August 25 at the offices of Rodio & Brown, the Association's legal counsel, at which time the Owners Association took possession of nine shares including a one-bedroom summer share (Unit 12, Week 27) that will be offered for sale to current owners. The Board and Samantha discussed the price to ask for the unit, and agreed on a sale price to be communicated of \$10,000, with the possibility of receiving more.

### Budget and Policies

Phil addressed the proposed budget for 2024, resulting in a maintenance fee increase of 14.1% driven largely by dramatically increased insurance costs experienced in 2023 and expected in 2024. Upon motion duly made and seconded, the Board then voted to approve the 2024 budget as presented, including 2024 maintenance fees. The Board also reviewed a letter to owners from the Board, to be included along with the budget and the resort's Assessment Billing and Collection Policy, check-in date calendar and flyers with special offers from Capital Vacations and Trading Places International, when maintenance fee bills are sent to owners in early October.

The Board noted that no changes are needed to the resort's Assessment Billing and Collection Policy.

Phil indicated that, in order to cover the unanticipated 2023 increased operating expenses, it is necessary to reverse the prior transfer of \$71,399 from the operating fund to the reserve fund, which was approved by the Board at its February 10, 2023 meeting. After discussion, the Board, upon motion duly made and seconded, voted to reverse that prior transfer and thus to transfer the \$71,399 back to the operating fund.

Phil reviewed a revised 25-Year Reserve Plan, as updated to reflect lower projected spending for living unit upgrades.

Phil reviewed a proposed Rental Policy and Rates for 2024, incorporating a 15% increase in rental rates in light of market rates on Block Island. Upon motion duly made and seconded, the Board voted to approve the Rental Policy and Rates for 2024 as proposed.

#### Strategic Initiatives

Phil noted that, in light of the difficult financial circumstances, work to improve the interior of living units will proceed at a slower pace than previously planned.

Director Dave Cohen indicated that, while installation of solar panels is not currently feasible given other cash needs, the possibility remained for such an installation in the future.

#### Agenda Items for Next Meeting

Phil indicated that the agenda for the December 8 meeting will include preparations for the 2024 Annual Owners Meeting and director election, a review of the closeout of the resort season, consideration of changes to the resort's Rules and Regulations, a contract for social media marketing services, the performance evaluation for the resort manager, and a discussion of year-end bonuses for resort employees.

#### 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 8:57 a.m.

Respectfully submitted

  
Chris Lindgren, Secretary