

# Neptune House

*Block Island, RI*

A stylized trident icon, positioned to the right of the text "Block Island, RI".

September 2017

## MESSAGE FROM THE BOARD PRESIDENT

At the Owners Meeting in March, the Board of Directors discussed in detail three major initiatives: the Reserve Plan, the Pool project, and Sales & Marketing efforts. Progress has been made on all three initiatives, though in many cases we had hoped to be further along than we are. Details on each of the initiatives are provided below.

Also in this newsletter is an article containing responses from the Board to concerns and suggestions made by owners at the annual meeting in March. The Board greatly appreciates the feedback from owners who attended the meeting.

### Reserve Plan

The Reserve Plan is firmly in place. Funds were allocated as planned, and the work envisioned for this year is on schedule. Completed work includes: Unit 8 deck repairs; Unit 10 deck replacement; Unit 15 roof repairs; new bathroom vanities in Units 7, 8, 9, 10, 11, and 15; exterior lights and storm door repairs for Units 3, 4, 9, 11, and 15; and new furniture or appliances in various units, as warranted by age or condition.

### Pool

Work on the outdoor heated pool has been fraught with considerable delays. The State took longer than expected to approve the plans for the refurbished pool; rainy weather caused muddy conditions in the Spring; coordinating heavy equipment on ferries proved challenging; contractors were delayed and not properly coordinated; and many other minor issues proved difficult to control. Further, the project will be costlier than the original target, though still within our overall budget. Given the way that things work on Block Island, some delay was not totally unexpected. Still, the team made considerable progress, and our new goal is to open the pool in October so our staff can gain some experience with operating procedures before shutting down for the winter.

See the article elsewhere in this newsletter for more information about the pool and other potential recreational amenities.

### Sales & Marketing

The Sales & Marketing program has been slow in gaining traction under the auspices of Points Plus, LLC. So far, only 2 new shares have been sold, and 6 existing owners have converted their shares to the Interval International Club Interval Gold points program. Sales will need to ramp up considerably for us to get enough new revenue to pursue any of the recreational amenities in addition to the pool.

The sales firm is currently in the process of attempting to connect with 5,000 families living within 30 miles of Block Island ferry terminals that have been identified as meeting certain income and demographic requirements. These families represent a likely pool of potential buyers. We are hopeful that people will respond favorably to the facts that the resort is on strong financial ground, a new pool will be open next year, there are plans for renovating all the units and installing additional recreational amenities, and the resort is located on beautiful Block Island.

Our contract with Points Plus, LLC to exclusively market and sell shares owned by the Owners Association runs through March 2018.

# Status of the Outdoor Pool

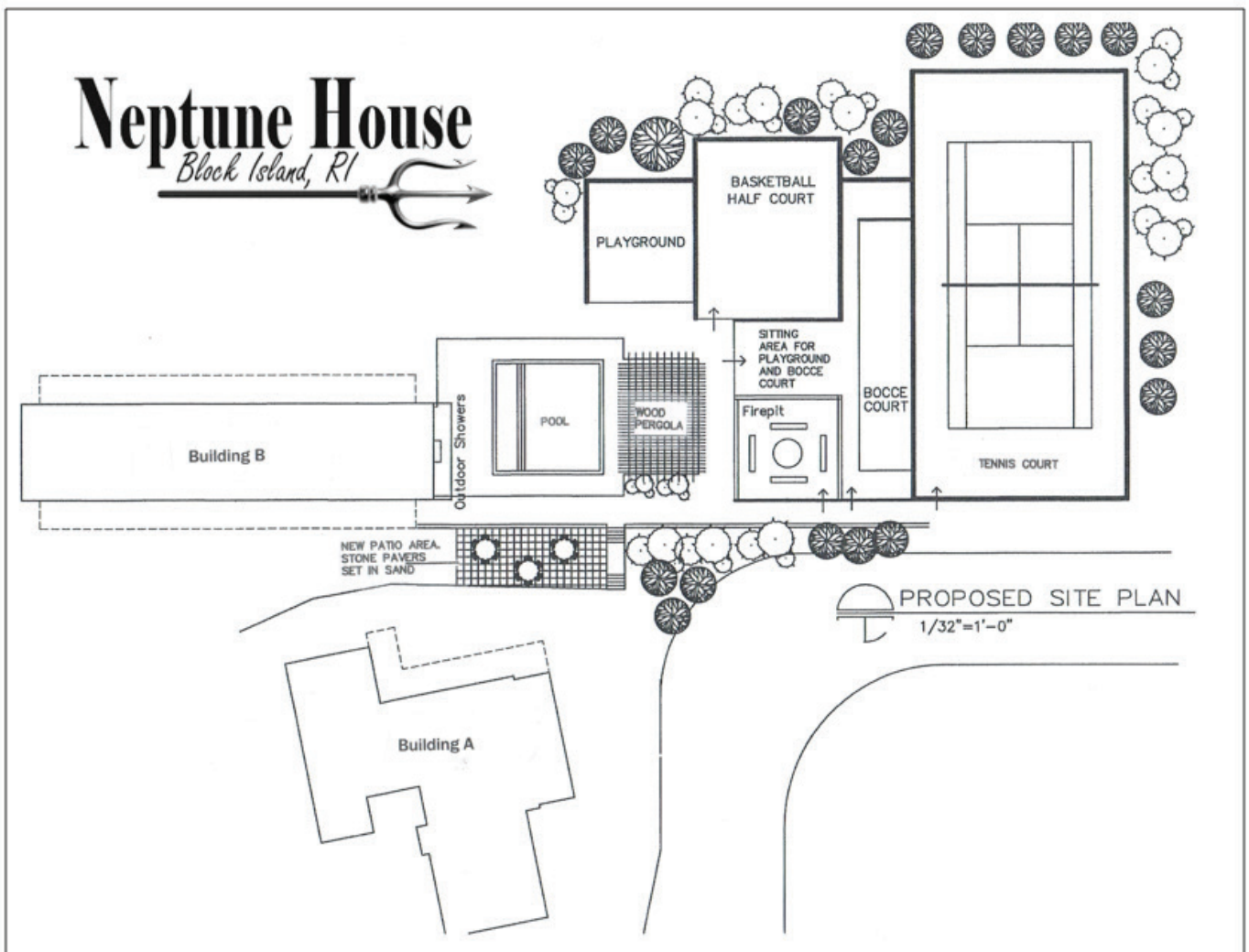
Work to reconstruct the pool to meet current health and safety codes has taken much longer than planned. The refurbished pool itself is in place, but significant work remains to be done before approvals can be sought to open it for use. See the slideshow on our website to monitor the progress at:

<http://www.neptunehouse.com/neptune-house-resort-information-and-slideshow-neptune-house/>

Major remaining work includes pouring the concrete deck, applying a rubberized surface to the deck for safety, installing the chairlift, completing the shower installation, installing lockable gates in the fence, installing lights around the pool area, installing the furniture, and doing landscaping. Our goal is to open the pool in October so our staff can gain some experience with operating procedures before shutting down for the winter.

Next year, we anticipate that the pool will be open for use during the entire resort season. We also plan to enhance the pool area with an enlarged apron and a new seating area with pergola. Exact timing of this work has not been determined, although it will likely take place after the 2018 summer season.

In subsequent years, additional recreational amenities could be added – depending on the total amount of revenue ultimately generated from our sales & marketing program. A site plan for what the result could look like is below. However, the specific amenities that are built will be determined by the Board later, with consideration given to construction costs, available revenue, and owner preferences.



# Feedback from Owners at the 2017 Annual Meeting

At the annual Owners Meeting in March, several owners expressed concerns or offered suggestions to the Board during the Q&A session. Several questions focused on the recreational amenities (basketball court, fire pit, etc.) that might be added after 2018, resources permitting. The Board has given thoughtful consideration to all the feedback. What follows is the list of items that were noted, along with the Board's responses. Thanks go to everyone for your interest and willingness to step forward with ideas.

## 1. Concern about noise from a basketball court

Response: *The Board will further refine plans for recreational amenities after solid cost estimates have been obtained for the proposed amenities, and after the results of our sales & marketing efforts become clear. We will balance construction costs, available funds, and owner preferences when determining which amenities to build. Other relatively inexpensive amenities such as a volleyball court and horseshoes will also be considered.*

*Furthermore, the Board will also consider reasonable steps to take to reduce noise, which may include additional landscaping.*

## 2. Concern about losing one of the tennis courts

Response: *See response to item 1. Furthermore, the space freed up by eliminating one of the courts will provide the best location for the new recreational amenities. Construction costs will be relatively low because the parcel is flat. Also, this is the lowest part of the property and least affected by winds that could affect play and damage equipment.*

## 3. Concern about the need for a bocce court

Response: *See response to item 1. Furthermore, the Board will evaluate the pros and cons of an official bocce court versus an ad hoc court on part of the lawn.*

## 4. Suggestion to consider more than one fire pit because a group might monopolize a single fire pit

Response: *See response to item 1. Furthermore, the Board will consider having two smaller fire pits instead of one large fire pit.*

## 5. Suggestion to consider putting some of the new rec amenities elsewhere on the property

Response: *The Board considered different locations on the property but ruled them out for three main reasons. 1) The tennis court area will enable lower construction costs because the area is flat. 2) The tennis court area is on the lowest part of the property and not affected as much by winds that could affect play and damage equipment. 3) Monitoring and maintenance will be more efficient and effective if all the recreational amenities are near each other.*

## 6. Suggestion to put parking below the flagpole

Response: *For reasons of cost, owner convenience, and aesthetics, the Board has decided that this is not a desirable option to pursue.*

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# Feedback from Owners at the 2017 Annual Meeting Continued

## 7. Concern about waiting until 2019 to repair the driveway to Building A

Response: *It is too late to move this work to 2017 because of the lead time to seek bids and schedule the work. In 2018, the bulk of the reserve funds are allocated to the second phase of the pool project. The only source of funding that could be used is the revenue generated from sales of the 100+ shares owned by the Owners Association as of the beginning of 2017. If these funds were used for driveway repair, recreational amenities that would otherwise be constructed would need to be deferred. This is something that the Board will consider after the revenue from our sales & marketing efforts becomes clearer.*

## 8. Concern about efforts to control pests

Response: *As part of the resort's regular repair and maintenance work, a pest control service (Griggs & Browne) was hired. Initial treatment was applied in March, and monthly treatments are being applied year-round.*

## 9. Suggestion to use LED lighting to reduce electricity costs

Response: *The resort has been converting to LED lights for the past few years. Lights in the lobbies and exterior areas are LED lights. Lights in living units are being replaced with LED lights when they burn out.*

## 10. Desire to improve landscaping and "curb appeal"

Response: *Work will be done with a landscape designer familiar with Block Island to develop a plan for shrubs and flowers that will flourish on the property. A plan for purchasing and installing the materials will also be developed. Timing will be coordinated with work on the recreational amenities. Note that the drought last year severely limited the ability of the staff to maintain attractive flowers and shrubs.*

## 11. Interest in having a policy on the use of Reserve Funds

Response: *To the extent that this is intended to force future Boards to adhere to the current Reserve Plan, to constrain the amount put into reserves (in order to constrain future maintenance fee increases), or to invest reserve funds in a certain way, having a policy would have little impact because future Boards could simply change the policy if so desired. With staggered terms in place for members of the Board of Directors, a check and balance on the actions of the Board will take place via the annual election. The terms of one or two Directors expire each year.*

## 12. Desire to improve the write-up on the Interval International web site

Response: *The Board has revised the write-up and has had the pictures on the Interval International web site replaced so that the Neptune House is portrayed in a very favorable, honest way, and so that the features and amenities on Block Island are appropriately highlighted. A limit on the number of words allowed in the write-up constrained the expansiveness of the written description.*

# Communications...

## Creating an Owner Account

Having an owner account allows you to see your account balance, your last payment, and your upcoming reservations. You can also make payments by credit card. Additionally, you have access to policy documents, newsletters, financial reports, budgets, plans, minutes of Board meetings, and other documents of interest.

Creating an account is something that you can do yourself on the VRI web site ([www.vriresorts.com](http://www.vriresorts.com)). Before doing so, your email address must be on file with VRI and associated with each of your shares (unit/weeks).

If you have not previously provided your email address, please call 1 (866) 469-8222 or email [nememberservices@vriresorts.com](mailto:nememberservices@vriresorts.com) and ask to have it associated with all your shares.

To create an account, go to “Owners Portal,” click on “Login,” and then “Click Here to Create Your Account.” Enter your Email Address and select from the Property Code drop down, enter your Account Number which is of the form UUU-WW where UUU is the unit number padded with leading zeroes and WW is the week number, then complete the New User Security Setup and you are in.

## Accessing Minutes of Board Meetings

If you want to keep abreast of the workings of the Board of Directors on a monthly basis, please access the minutes of Board meetings on the VRI web site ([www.vriresorts.com](http://www.vriresorts.com)). Click on “Owners Portal,” and then log in to your account. The minutes are in the “Documents & Forms” section.

## Receiving Email Updates

Even if you don't feel the need to check the web site periodically to read minutes of Board meetings, having your email address on file will allow you to receive timely notices from the Board. Email communications not only assure timeliness, but they cost the Owners Association nothing. If everyone were on email, it would be much cheaper and easier for the Board to share information.

## Contacting the Board of Directors

Questions, concerns, and comments may be sent to the Board via email addressed to [board@neptunehouse.com](mailto:board@neptunehouse.com). As fellow owners, we will strive to respond in a thoughtful and timely manner.

# Neptune House

*Block Island, RI*



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## Contact Information

### Neptune House

Resort Number (401) 466-2100  
Fax (401) 466-5445  
Website: [www.neptunehouse.com](http://www.neptunehouse.com)

### Still Need Assistance?

VRI Corporate Services (508) 771-3399  
(800) 999-7140  
VRI Fax (508) 775-6396

### Resort Manager

Samantha Disotell (401) 466-2987  
Email: [resortmanager@neptunehouse.com](mailto:resortmanager@neptunehouse.com)

### Board of Directors

Email: [board@neptunehouse.com](mailto:board@neptunehouse.com)

### VRI Owner Services

Assessment Billing & Collection (508) 771-3399  
(800) 999-7140  
Monday - Friday 9:00 a.m. - 5:00 p.m. Eastern

Phil Totino, President  
Cheryl Moore, Vice President of Facilities Planning  
Mark Morrisette, Treasurer  
Jeff Anliker, Director  
Dennis Palumbo, Director

### VRI Reservations

General (800) 228-2968  
Rentals, Vacation Tyme® and Bonus Time (866) 469-8222  
Website: [www.vriresorts.com](http://www.vriresorts.com)

### Other Officers

Chris Lindgren, Secretary

### Exchange Information

Interval International (800) 828-8200  
Trading Places (800) 365-7617

### Director of Resorts

Michael McManus  
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