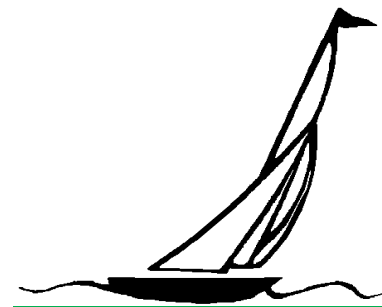




Season's Greetings from
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View from the Top

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Winter Hours for Jan. 9—Feb. 16:
Monday - Thursday
8:00 am - 7:00 pm

Friday - Sunday
8:00 am - 9:00 pm



Why get involved in Club Interval Gold at Harbor Ridge?

- Shows all available units for exchange.
- Avoid upgrade fee changes that have recently been established at Interval.
- Get the benefits of both Interval's Gold and regular memberships.
- Access to a points based program for an extremely reasonable cost of \$495.

Manager's Update

Merry Christmas, Happy Hanukah, and Happy New Year from all of us here at Harbor Ridge.

Our Front Desk staff member, Rose, volunteered to inspire our team members to donate presents for the Maine Seacoast Mission Christmas Tree project instead of our traditional Yankee Swap gift exchange. What a blessing it has been for each staff member to participate! Each year, the Mission distributes about 10,000 holiday gifts to more than 3,200 children, families, nursing home residents, and prisoners at Christmastime.

The Maine Seacoast Mission serves the ten unbridged, inhabited islands east of Boothbay Harbor. The Mission provides access to medical and dental care, spiritual support, education, and crisis services. The Mission's boat, the *Sunbeam*, is equipped with state-of-the-art telemedicine equipment and has a salon that serves as a meeting place for fellowship, meals, and meetings. The *Sunbeam* also sometimes hosts weddings and funerals. The Mission's Island Outreach programs enrich and enliven island life year-round.

It has been a pleasure to participate in their giving project. To read more about the Maine Seacoast Mission, go to their website, www.seacoastmission.org.

At the writing of this newsletter, the contractors are replacing the windows in the Clubhouse Great Room and the Office. The Clubhouse is approaching 25 years of age, and the wooden windows had become very breezy. We will definitely see an improvement in our Clubhouse fuel bill. So what's next? Building 2 will be getting new carpeting in the master bedrooms, and there are three more living

room floors in that building that need to be done. All units, property wide, will be getting new living room chairs and rockers. Most of the current living room chairs will be repurposed to the guest bedrooms, so the "vintage" wicker chairs will be up for sale.

Resales have been on the rise this fall. If anyone is interested in owning additional weeks, please call us for some great deals! You can purchase an additional off peak week every year for \$500, plus a \$200 deed preparation and recording fee. There have been some phenomenal deals on peak weeks too.

Many owners have taken advantage of the bonus weeks at \$349 for an extra week's vacation in Interval's exchange system. Call us today to get yours!!

An \$89.00 internal exchange fee is due should an owner need to be accommodated on a different week or should an owner request an upgrade from a one-bedroom unit to a two-bedroom unit. The internal exchanges are within their season of ownership.

Maintenance fees are due Jan. 1 for all float owners & Weeks 1-26. Should you need payment arrangements, call us toll free at 866-384-0231 or email us prior to Jan. 1.

Have you heard about Club Interval Gold, the points based membership?

Yes, it sounds enticing. The staff can email you information.

The points based membership shows all inventory available no matter what you own or how many points you have.

I like the option to do multiple short stay vacations.

As long as the office staff can sell the memberships, the cost is \$495. This is a steal compared to other resorts that sell them for \$2995.

I think I should call them as soon as possible to take advantage of this great deal.

Holiday Hours

Christmas Eve
8:00 am—4:00 pm

Christmas Day
12:00—9:00 pm

New Year's Eve
8:00 am—7:00 pm

New Year's Day
8:00 am—9:00 pm

Condominium Association Special Meeting Minutes Saturday, December 3, 2016

Tim Letourneau called the meeting to order at 10:00 AM. President Tim Letourneau, Treasurer Jan Franz, Secretary Linda Connelly, Member Dianne Lytle, Manager Annette Bartlett, and Manager Margaret Austin were present. Member Jerry Williams was absent. Owners in attendance introduced themselves.

Consideration of ratification of proposed annual budget: Annette discussed the Profit and Loss Previous Year Comparison in detail.

Bonus week income is up due to Week 53 in 2016. Owners should review the 2017 dates according to the Harbor Ridge and/or Interval calendar.

Ten owners have become Club Interval Gold members this year. Management helps owners determine if this option would enhance their specific timeshare ownership.

Gift shop sales are up. HR rentals of association owned weeks have increased. The 100th anniversary of National Parks helped rental income this year for both owners and the Association. Rental and resale commission are up. Many existing owners have purchased additional timeshare weeks. Internet income was down because people are using hot spots on their cell phones. The Internet will be upgraded in two weeks with additional access points and double the bandwidth. Legal fees are deed transactions completed on sales and transfer of ownership completed by the Association. Maintenance fee was raised by \$10.00 for 2017. Due to the amount of work involved internal exchanges for owners will be \$89.00, as compared to \$189 through Interval International. Rental income is from office rental and from our J1 visa workers. Sale of used property is ongoing based on available inventory.

Expenses: Advertising is primarily for Trip Advisor and Trivago. This advertising has increased our income and helped owners rent their units. Automobile expense includes the gas and repairs to the truck and housekeeping van.

Bad debt is up considerably, as management wrote off two years of maintenance fees. This was done with the accountant's approval for tax purposes. The bad debt weeks are non-performing weeks and weeks

owned by the Association. In the past, only one year was written off for bad debt. Due to accrual accounting, all maintenance fees must be recognized as income, and then amounts due are in Account Receivable accounts. Some owners are on payment plans. Most non-payment owners are in collections. There are some weeks that should be foreclosed upon, which is a long, costly process. Management rents these non-performing units, which helps recoup the HOA overall costs. Management plans to offer a deed-back option to these owners. David Ezzio requested Management to create a profile of owners and trends to get an accurate picture of non-performers. Management responded that most are owners that were on tight budgets when they purchased. He congratulated Management for having the resale board at the check-in desk and expressed the need to continue this type of option. Management rents empty units to local businesses that have traveling employees. The HOA officially owns 43 annual weeks and 88 biennial weeks. There are another 38 owners that owe 2 or more years of maintenance fees. Annette reported there are approximately 275 intervals listed for sale, and they are not on the web site due to attracting potential "scammers." The web site states to contact Management for resales.

Bank charges are credit card processing fees, which is a cost of business. Gift shop purchases are down because the gift shop was closed for a time last year for renovations. Insurance expenses are down due to a better experience rating with Worker's Compensation. Harbor Ridge has a \$5,000 insurance deductible when a claim occurs. Interest expense was for the heat pump loan that has been completely paid off. Owner expense for the breakfast, s'mores, and the wine and cheese social is down slightly. Wages increased in 2016 to retain housekeeping employees. The new increase in Maine's minimum wage will have minimal affect. Starting housekeeping wage is \$11.00 with a \$0.50 increase in 30 days. At this time

IMPORTANT NOTICES:

Owner Getaway Rates:

\$95 for one night
\$150 for two nights
\$199 for three nights
(includes lodging tax)

Great Room Usage Rate:

Up to 25 people, it is \$3 per person.
For more than 25 people, the
room charge is \$75. The maximum room
occupancy is 50 people.

the core housekeeping staff is solid and all earn above \$11.50.

Repairs and supplies are lower due to the completion of the water side of all five unit buildings. Over the last six years the total cost of this project was well over \$775,000.00 and was completed without special assessments or significant maintenance fee increases. An owner asked Management to think about replacing the balcony door locks to prevent guests from getting locked out. The Board will review new locks and ask Management to get quotes. Board members commented on the excellent job Management does to keep the resort up and in good shape. With that said, an owner asked if anything "scanted" in repairs. Flooring is the next issue being worked on. Building II master bedroom and stair carpeting will be replaced in January. Living room chairs are on order. Since the older chairs are still in good shape, they will be moved downstairs. Management does massive and minor replacements as needed.

Utility costs are stable. The heat pumps have lowered fuel consumption. Owners and guests have been very happy with the heat in colder months and the air conditioner option in warmer months. The net income is much higher, and it was noted there is still December to reduce net income for tax purposes. It was reported the net value according to the Town of Southwest Harbor is approximately \$12.4 million. Harbor Ridge has a good relationship with the Town of Southwest Harbor and taxes have remained stable for three years.

Tim Letourneau asked for approval of the budget as presented. All owners present motioned to accept budget as proposed. Motion passed.

Transaction of such business as may properly come before the meeting.

An owner expressed concern about the fire pit again. He stated that having the fire pit causes smoke on their balcony and smoke in their unit in Building I. He stated that smoking is not allowed, yet smoke comes up for 3 hours on both Mondays that they are at Harbor Ridge. He requests that owners present, the Board and management re-evaluate the fire pit. An owner in attendance asked if they tried to mitigate the fire pit evening by closing windows. The reply was no because they prefer to leave their windows open for the fresh Island air. The owner's wife asked to be recognized and stated that they love fire pits when camping and have a fire pit in their back yard. She loves their Building I unit and likes the look of the

fire pit. The owner stated he has a more sensitive nose than his wife and feels there's a time and place for a fire pit and not at Harbor Ridge. The owner was asked if he felt we could place the fire pit elsewhere. The response was Harbor Ridge does not have the footprint to move the fire pit anywhere that would not be an issue. A question arose to see if Harbor Ridge could have propane or gas. It was stated that the tanks would need to somehow be hidden and concerns of children around the tanks was an issue. It was stated by another owner that gas or lp option would increase costs. It was mentioned to try charcoal. The owner was asked if he would consider bringing charcoal for his two weeks and he replied yes. Another owner also suggested that we could use a portable propane tank during the owners two weeks. This option would only function if Harbor Ridge converted to a propane fire pit. A Board Member mentioned the Board requested Management to follow up with guests and owners at check-out about the fire pit and all comments were favorable and all enjoyed the fire pit. After many months of evaluations, all comments were positive and there were no other complaints. In closing of this discussion, the owner with the issue and all owners present agreed to compromise with the owner bringing charcoal for the two weeks they are at Harbor Ridge.

An owner again requested a bike house to protect bikes. Management has reviewed options and it has been placed on the wish list. Location of the bike house would also need to be evaluated. A location suggestion was by the laundry room. Management will ask the contractor how much a 16X10 storage space would cost. Management is in strong support of this request, as it would be dual functioning for winter storage. Guest bedroom TV's currently are a greater priority. Priorities are set by reviewing Interval evaluations, Trip Advisor comments, owner requests, and guest verbal and written comments. At this time it was reported the interior of the townhouses need updates, guest TV's, and the sauna request are currently top priority.

David stated that Margaret and Annette do an exceptional job. He asked if the board has a plan should Margaret and Annette both resign at the same time. Tim Letourneau stated that management companies exist, but that would come at a high cost. It was also mentioned other Maine timeshares help each other and staff could step up to the plate. Tim Letourneau stated the Board would discuss it.

The meeting adjourned at 11:50 AM.