

McCall Area Timeshare Association
Board Meeting
August 2, 2011

The MATA Board of Directors meeting was held on August 2, 2011 at the Homewood Suites in Boise, Idaho.

Present were Board Members Travis Leonard, David Holland, Richard Brotherton, and Gary Turner. Spencer Koonz was absent.

Carold Turner was also present.

President Travis Leonard called the meeting to order at 8:35 pm.

First Agenda item was review of the Minutes from the April meeting. Travis asked for any discussion or questions. None were presented.

Gary Turner moved to approve the minutes as presented.

Dick Brotherton seconded the motion to approve.

Motion carried unanimously.

Travis then addressed the need to appoint the Nominating Committee for the October meeting. It was noted that Travis Leonard and Dick Brotherton are up for election this year and that both have agreed to stay on for another two year term. Travis stated that Kathy Borgholthaus, Gerri Tuning and Danielle Hill have agreed to serve on the Nominating Committee this year. It was suggested that an additional owner be named as alternate should one of the Committee Members be unable to serve. Travis suggested Jay Borgholthaus as the alternate. Discussion followed.

Dave Holland moved to approve the appointment of Kathy Borgholthaus, Gerri Tuning and Danielle Hill to the Nominating Committee with Jay Borgholthaus as alternate appointee.

Gary Turner seconded the motion.

Motion carried unanimously.

The Jacuzzi rebuild project was the next item of discussion. Plans were reviewed and it was noted that the new buildings will be two feet longer than the existing ones which will allow a better breezeway and seating area. The extra area will also allow the Jacuzzis to be pulled out to work on them when needed. The doors will be 3 ½ feet wide so the Jacuzzis can be put on their side and pulled out if they need to be replaced in the future and the window will be removable as an extra method of removal if necessary. The windows will be fixed to avoid people leaving them open, break-ins, etc. A recent incident with unauthorized use of the Jacuzzis late at night by college aged persons was briefly discussed. Travis noted that he is looking at an auto lock system that would automatically lock the doors at 10:00 pm and unlock them at 10:00 am. Exit would still be possible after the door locks, but entrance would not be possible. Other items discussed were ceiling height, lighting, air handlers and construction issues. Matt Brown Construction of McCall is doing the construction. Bid was at \$70,000 per Jacuzzi. Travis noted that the project was put out to bid to five construction companies. Two turned it down as too small. Matt Brown's bid was the middle bid but he was thought to be the most qualified and the bid was awarded to him. Travis and Dave both stated that they have been impressed with his work and noted the clean demolition job that they did on the Y Jacuzzi. Pictures taken during demolition were reviewed by the Board and showed major rot and structural deterioration. There was no damage to the common wall with the Y Building so that was not an issue. Dick Brotherton suggested making the pictures available to the owners. Dave and Travis noted that pictures can be posted on the website for owners to view.

Supplemental Assessment collection status was then discussed. Collection calls to owners who have not yet paid their assessments have been started. Billings went out on May 1st and assessments were due by June 15th. It was determined and discussed that there are approximately 316 unpaid assessments as of this date. It was suggested that collection calls continue to be made for another couple of weeks. Dave Holland stated that Holly has the best personality of anyone in the office to make the collection calls. Holly will be making all future calls of this nature. Dave also suggested that Holly let people know that credit card payment can be accepted while she has them on the phone. 3% handling fee for credit card payment was noted and briefly discussed.

Discussion followed and it was suggested that a second billing be sent out to include a notice that MATA cannot move forward without owner cooperation in paying their assessments and that late fees of \$10 per month will be assessed on all unpaid accounts as of September 15, 2011. It was also noted that they should be informed that they will not have use of their timeshare weeks until their account balance is paid. Construction timelines were also briefly addressed and it was noted that the hope is to have the Y Jacuzzi completed and the E Jacuzzi started by mid September. It was also noted that construction of the E Jacuzzi may not be able to be started until at least half of the out-standing assessments are collected. Dave Holland moved to send out a letter on September 1st to all of the unpaid accounts with notice of issues as discussed.

Gary Turner seconded the motion with the additional suggestion that the section of the By-laws showing that the Board has authority to do this also be included in the notice.

It was agreed that this should be included and motion carried unanimously.

After a short break, Travis addressed the next agenda item which was the 2012 Budget. He asked Dave to address the Budget at this time. Dave noted the current recession and discussed foreclosure and deedback status and the effect these things have on the Association. He reported that he and Travis met with Rick Lamm and went over several budget options. Three different options were presented and discussed.

Option #1 was unchanged from the 2011 budget. It was noted that although the expense figures were unchanged, with the smaller number of owners due to foreclosures and deedbacks the fees would increase by \$19, \$24, \$22 and \$24 respectively. The 2011 budget total was \$767,000 and the final figure for this proposal was \$766,000 and although the budget total was down, fees were up because of the smaller base.

Option #2 would reduce fees but would totally eliminate the Renovations line item. Fees would be reduced by \$9, \$4, \$8 and \$8 respectively, but there would be no funds for renovation.

Option #3, which was Travis's preference, would result in no increase in fees and would reduce the Renovations line item from \$45,000 to \$13,000 for 2012. This would hold the line on the Maintenance Fees even though there are fewer owners, but would leave less to spend on renovations.

Dave noted the current recession and the need to tighten belts during these times. He explained that maintenance can be continued with those line item figures but renovations will need to be limited. He then addressed the Electricity line item figure of \$60,000. Electricity costs have continued to rise and it is anticipated that they will continue to do so. Dave reported on a heat pump that was installed in one of the whole ownership units at Aspen Village. After talking to that owner, he had heat pumps installed in his duplex units in New Meadows and has been very impressed with how they work. They circulate the heat in the winter and act as an air conditioner in the summer and savings have been very impressive. The power bill for one of his duplex units went from \$160 to \$87 per month and his renters report that the units are much more comfortable since they were installed. Idaho Power supplements installation and Dave felt that they were well worth the cost. It was suggested that heat pumps be installed in a couple of the timeshare units as a test, then work on getting them in all of the units over time if they work well. It was noted that part of the electricity budget could be used for the initial installation and the savings in electricity costs could help pay for installation. Travis suggested having heat pumps installed in K-53 because it is the largest unit and the hardest to heat and ventilate and his unit because they are there all the time and have the largest usage so that unit would be a good test. Cost of installation was briefly discussed and it was noted that the office might also be a good test unit since there is someone there from 9:00 to at least 5:00 six days a week. Dave stated that the units that are attached to the Jacuzzi rooms would not be good test units because the electricity for the Jacuzzis is included in the usage for those units. He stated that Travis should decide where to put them. It was agreed that K-53 should be one of the test units and that one or two others should be selected as additional test units. It was asked if excess funds, if any, from the Supplemental Assessment account could be used for heat pump installation. Dave Holland stated that this could be done. Brief discussion followed and the general budget discussion continued.

Travis acknowledged that the three bedroom units are definitely in need of some attention but that if the line could be held for a couple of years, it would be best. It was noted that this would be discussed further at the additional meeting to be held on August 3rd as the fourth required meeting.

Dave stated that he was against completely eliminating Renovations and reducing fees and was in agreement with Travis's preference to hold the line on fees and reduce the Renovations line item.

He stated that Travis would like to give owners a chance to give input on the budget at the Annual Meeting in October. It was noted that while only a fraction of owners attend the meetings, all owners have equal opportunity to attend and that those who do attend could give their input and the Board could make the final decision at their Board meeting after the Annual Meeting. This will also be discussed further at the August 3rd meeting.

Travis noted that vacation properties are expendable and are usually the first thing to go in hard times and that sales are going to be necessary to get MATA back on more solid ground. Sales approach was briefly addressed and Travis stressed that selling people on McCall rather than buying a week just for exchange was the approach that needs to be taken. Improvements in the downtown area, current condition of the units, Aspen Village grounds maintenance, etc. were briefly discussed.

Tax valuation was then addressed. Travis noted that the valuation on the units dropped for the coming year and that the three year re-evaluation of taxes should be coming up but doesn't necessarily mean a drop in taxes. Brief discussion followed on property valuations. Tamarack and its impact on the area was also briefly discussed.

Travis then addressed the weeks that are being deeded back by owners who are no longer able or willing to pay their Annual Maintenance Fees. He explained that he takes weeks back if he is able and that some are coming back to MATA. He charges a \$200 deedback fee for the ones that he takes back to help defray the expenses and suggested that the Board initiate collection of a deedback fee on units that are deeded back to MATA. It was noted that some owners who want to deed back object to the fee and decide to give their weeks away to someone or just sit on them to foreclosure. Most are willing to pay the fee to get out from under them and a small percentage get the fee waived due to hardship. Brief discussion followed.

Dave Holland moved to initiate a \$200 deedback fee on weeks deeded back to MATA.

Dick Brotherton seconded the motion.

Motion carried unanimously.

There were no further items brought up for discussion and Dick Brotherton moved to adjourn the meeting. Dave Holland seconded the motion.

Motion carried unanimously and the meeting was adjourned by Travis Leonard at 10:45 pm.

Respectfully submitted,



Richard Brotherton
Secretary