

SNHA 2015 Annual Meeting

Welcome and Happy 4th of July !!



Social Gathering and Picnic

For All Full Homeowners
Friday July 3, 2015
at the tent at the base of Morse Mt
on the common ground at Smugglers' Resort
Scheduled to begin at 5:00 PM

Hamburgers, hotdogs, and soft drinks will be provided.

Please bring side dishes and desserts to share with others

Donations will be collected to benefit the Cambridge Food Shelf - . A representative from the Food Shelf will be available. Recommended donation of \$30 per family (or more) will be appreciated.

Please join your fellow homeowners for this social gathering
and support of the local community!

See you at 5:00 PM

Agenda for SNHA, Inc. Annual Meeting

**9:30 AM Call to order – Bob Oehrlein
Secretary**

Introductions

New homeowners since last meeting

Board members-see web link

<http://www.snha.net/board-of-directors/board-members>

Count of homeowners present by 5 year
blocks

Review Schedule

Reports

- **2014 SNHA Annual Meeting Minutes** - Review for approval – Kevin Rohrbacher, Secretary The minutes were approved as posted on the SNHA.net web site

<http://www.snha.net/images/docs/AnnualMeetings/2014/snha%202014%20annual%20meeting%20review.pdf>

- **Financial Reports and Projections**

Herb Lewis , Treasurer reported that the new structure with basic service fees being charged to all member homes with additional fees being charged for additional services being delivered to Homeowners and Regimes is working. The 2014 year end net was positive for both the basic operations and the Regime and Homeowner services delivered. The projections for 2015 year end are about the same.

Financial reports continued.....

The 2014 audit is underway and expected to be completed later this summer. The cost of the audit has risen to a point that the Board is proposing an alternative review be completed rather than a full audit every year. The Board is proposing an amendment to the Bylaws as will be presented in the next item on the agenda.

The Board will also be proposing annual increases to the 2015 SNHA Basic Service Fee of \$380 per home over the next few years to keep up with the rising costs in operations. For more details on the SNHA Structure of fees and services, please visit:

http://www.snha.net/images/docs/Financial/snha%20structure%20and%20fees%202015r_1.pdf

SNHA Bylaws – Amendments

Bob Oehrlein

Bob introduced the following amendment to allow candidates to be elected from members of a homeowners family. So many of the homeowners' families are transitioning ownership to their grown children that it makes sense to involve the family members in the service of the Board. A motion was made and seconded to accept the motion as read. Discussion followed and the motion was approved by the members present.

- Motion - Article V., Section 1 – to allow spouses and children of the family of an SNHA “member” (property owner), with the member’s permission, to be nominated, elected and to serve as a Director on the SNHA Board even if they are not listed on the deed as owners of record.

Bob also presented the following motion to allow the Board to elect either an audit or a review of the finances for any year as it reads below. Discussion followed and a number of questions were raised regarding the pros and cons of an audit vs a review. A motion was made and seconded and approved by the members present to table the amendment below until such time as the Board can further investigate the issues and report back to the members.

- Proposed amendment tabled - Article VIII, Section 7. (d.) – to allow the SNHA Treasurer and Board to elect to have either an annual financial review, OR an annual audit of the SNHA books. Currently, the Board must have an audit performed annually. The Board believes that a financial review will be more affordable and will provide sufficient assurance of the accuracy of the SNHA's financial statements. The Board will have the discretion to request an audit at any time.

Bob presented the following motion which was seconded and passed by the members present as read below:

- Approved - To correct spelling, grammatical, and spacing issues in the existing Bylaws document as indicated on the copy posted on the web

Joe Hester Ingram – Executive Director

Welcomed the homeowners and gave an overview of the structure and fees in place for SNHA operations as below:

Core Services – all member homeowners pay a Basic Fee for the following services:

- SNHA – Office staff available for Communications and keeping records of general activity for the association member homes that are common to all homes.
- Referral of Homeowners to Resources at Smugglers and to those available from other sources.
- Support to the Board and their Committee Activity and Annual Agendas – See web link
<http://www.snha.net/committees>
- Maintain Documents and Information regarding Homeownership Interests and Concerns
 - Support and Maintain SNHA web site

Joe also described the additional Services to Regimes and Homes that are delivered for the payment of additional fees

- Master Policy Insurance Program
 - LP Gas Buying group
- Regime Accounting, Planning, Budgets and Long Range Maintenance repairs and replacements.
- Regime Association Meetings and support to Regime Directors
 - Project Management for Regimes
 - Project Management for Homeowners

See also: web link

http://www.snha.net/images/docs/Financial/snha%20structure%20and%20fees%202015r_1.pdf

Committee Reports

- Smugglers' Village Fees – Status of review with Smugglers' – Steve Hoey
- Real Estate Update – Barbara McGee
- Housekeeping & Quality Home Program – Florrie Paige
- Rental Balancing and Rates– Lucia Homick & Kevin Rohrbacher
- Damage Fund – Jay Kahn
- Insurance Update – Joe Ingram
- Maintenance Update – Bob Oehrlein and Tracy Whitney
- Technology – WiFi – Lonny Gee

Smugglers' Village Fees

Steve Hoey

No further activity between SNHA Committee and
Smugglers' since summer of 2013

SNHA Committee has since 2013 agreed to disagree on
issues of what is included in the fee.

Real Estate Committee – Barbara McGee C 28

Sales have been sluggish and prices have dropped for some recent sales occurring since 2008. This has been the trend in other areas of Vermont Vacation home properties as well in recent years. There has been a stabilization in 2014-15 in some sectors of the Smugglers' Full Owner markets and prices have not fallen as much in markets for properties that are unique or where resale inventories have been more limited. While the number of homes listed has increased, the sellers in most cases appear willing to wait for market prices to rise to their asking prices.

Housekeeping & Quality Home Program (QHP) Florrie Paige

Changes in the Quality Home Program

Action list will be issued annually going forward rather than twice a year as has been the practice.

During this transition period no new action plans will be presented and owners will have time to finish any outstanding items on their existing lists.

All owners will be required to replace any tube style TV's with flat screen TV's by December 1, 2015.

Smuggs will begin compliance inspections after December 1st. Any homeowner who has not completed the action list for their home will be blocked from rentals until the list is completed. Smuggs will notify owners if that occurs. It may take some time for the inspections to be completed as the inspectors have to work around occupancy.

Quality Home Program for next year

Florrie continued her report to advise that most of the inspections for the 2016 Action Lists have already been completed and will be mailed no later than August 1st. Work will need to be completed by June 2016. If you would like your action list sooner, e-mail Lauren McKenzie at lmckenzie@smuggs.com and she will get it to you as soon as possible. Additionally, at the request of many owners, the inspection date will now be listed on the action list.

QHP in the Future

Florrie also added that Smuggs, the SNHA QHP and rental balancing committees have been working on an exciting new project. Photos of the homes are being taken and will be available to reservationists and ultimately for our guests to see prior to booking. Guests will actually get to see what the home they are booking looks like before they even arrive at Smuggs.

Rental Balancing Committee
Lucia Homick and Kevin Rohrbacher
Reported

Management uses its best efforts to see that revenues are spread evenly among the renting homes

- Rental Balancing - Snapshot 2X a year
 - Cumulative \$ since Oct 2006
 - HO use (\$) + Rental Income (\$)
 - By Regime - By Like Size - unit

Rental Balancing Report Results

- + 10% outliers (33 homes) – above average
 - 45% Five Star Plus (15)
 - 30% Lots of HO use (10)
 - 12% On the cusp (4)
 - 12% Miscellaneous (4)

Rental Balancing Reports - Results

- 10% outliers (25 homes) – below average
 - 36% 5 Star impact (9)
 - 20% QHP issues (5)
 - 8% On the cusp (2)
 - 36% Misc (9)

Rental Rates

Kevin Rohrbacher reported

- **Overview of Homeowner Rate Adjustment Methodology:**
- The impact of seasonal pricing (rate) adjustments are made by overlaying a proposed new pricing grid on a detailed financial model which has been balanced with the actual outcome of the previous season's results. This includes:
 - -Actual weekly occupancy stated in Guest Night volume
 - -Actual package purchased, by length of stay, by rate period
 - -Actual discounts and surcharges applied as a matter of policy
- The change in revenue indicated by the revised rate grid superimposed on the final results from the previous season, once adopted, becomes the determination of the "rate change". This is expressed as a percentage, positive or negative, and becomes the Homeowner rate modification factor indicated for the prospective season.

Overview Continued.....

Historically rates have been adjusted with an emphasis on stimulating longer stays for Family Vacation guests, and encouraging a balanced demand on the existing bed inventory.

Recently, modifications have included changes in daily rate structure ranging from a lower cost for every subsequent day, to price breaks at 3 or 4 days only, to same price for every day of the stay. Many other “tweaks” are included based upon detailed analysis of competitive pricing and guest booking behavior.

Over time we have made necessary modifications to the dates of certain rate periods, especially adjacent to Holiday dates, to be in line with school vacation calendars, and the general trend toward shorter stays throughout the industry.

Ultimately the financial outcome for the SNR and the Homeowners in any given year is a function of the guest volumes generated by rate period over the course of the Winter and Summer seasons. The ever changing realities of weather, economic circumstances, competition, and our success in conveying high value in lodging and programming are a constant challenge.

All rates are per day for the vacation package inclusions and for the accommodations for the family size shown. June 5 - August 30, 2015.

SuperSaver June 5 - 27, 2015		STUDIO Up to 3 people	1 BEDROOM Up to 4 people	2 BEDROOM Up to 4 people	3 BEDROOM Up to 6 people
<i>SimplySmuggs</i>	7 Days/Nights	\$135	\$260	\$300	\$430
	4 Days/Nights	\$175	\$300	\$340	\$470
<i>FamilyFest®</i>	7 Days/Nights	\$165	\$300	\$340	\$490
	4 Days/Nights	\$205	\$340	\$380	\$530
<i>Adventure Connection</i>	7 Days/Nights	\$315	\$500	\$540	\$790
	4 Days/Nights	\$355	\$540	\$580	\$830

Rental Rates – Schedule

[Link to file](#)

Summer Celebration

June 28 - July 30; August 23 - 30, 2015

STUDIO
Up to 3 people

1 BEDROOM
Up to 4 people

2 BEDROOM
Up to 4 people

3 BEDROOM
Up to 6 people

SimplySmuggs

7 Days/Nights

\$207

\$356

\$416

\$546

4 Days/Nights

\$247

\$396

\$456

\$586

FamilyFest®

7 Days/Nights

\$237

\$396

\$456

\$606

4 Days/Nights

\$277

\$436

\$496

\$646

Adventure Connection

7 Days/Nights

\$387

\$596

\$656

\$906

4 Days/Nights

\$427

\$636

\$696

\$946

Heart of Summer July 31 - August 22, 2015		STUDIO Up to 3 people	1 BEDROOM Up to 4 people	2 BEDROOM Up to 4 people	3 BEDROOM Up to 6 people
<i>SimplySmuggs</i>	7 Days/Nights	\$279	\$452	\$532	\$662
	4 Days/Nights	\$319	\$492	\$572	\$702
<i>FamilyFest[®]</i>	7 Days/Nights	\$333	\$532	\$612	\$762
	4 Days/Nights	\$373	\$572	\$652	\$802
<i>Adventure Connection</i>	7 Days/Nights	\$483	\$732	\$812	\$1,062
	4 Days/Nights	\$523	\$772	\$852	\$1,102

For other lengths of stay, and larger or premium accommodations, please call our Vacation Planning Specialists.

Rental Rates Year to Year

[Link to file](#)

Revenue vs homeowner payments

[Link to file](#)

Damage Fund

Jay Kahn

Report on 2014 data

What is the Damage Fund

- Full owners renting through SNMCo participate in the fund.
- Fund is to socialize small expenses associated with rentals
- Contributions are 5% of gross rental for Full Owners
 - 2.5% SNMCo contributes from its portion, and
 - 2.5% from the HO's portion

Use of Funds 2014

	Total	Per Home	% of Fund
KITCHEN ITEMS	\$27,800	\$118.30	15.67%
LINENS	\$12,403	\$52.78	6.99%
MISCELLANEOUS ITEMS	\$25,634	\$109.08	14.45%
Drape/Blind - Repair	\$4,217	\$17.94	%2.38
Door - Replacement	\$12,868	\$54.75	7.25%
Sub Total	\$82,922	\$352.86	46.74%
All Other	\$94,497	\$402.11	53.26%
Total	\$177,419	\$754	100%

Fund Amounts

- Reviewed 2015 Data

	2015 YTD	2014	2013	2012
Projected	\$135,000	\$230,894	\$272,579	\$234,674
Actual	\$62,630	\$177,419	\$264,579	\$337,917
Increase/(Decrease)		(\$87,160)	(\$73,338)	\$46,638
Gross HO Rental		\$4,617,880	\$5,451,580	\$5,158,920

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Observations

- Actual significant decreases for the past few years
- Kitchen items and linens (1/4 of the expense with reductions)
- Range is very wide in the per home use from a high of \$6027 to a low of \$181 and an average of \$754?
- The miscellaneous bucket seems too easy to use and should be reviewed for better detail
- Do not understand installation of charges regarding guest experience, furniture and appliances found in the damage fund

Observations

- More management attention is needed in how the damage fund is used
- Items purchased and distributed as individual units vs sets
- Replaced cloth placemats with synthetic working out of cloth napkins
- Replaced cloth pot holders with silicone
- Do not understand charges regarding guest experience, furniture and appliances in the damage fund

Questions/Comments

- Questions from the floor :
- Loss control – are charges ever made to the guest? Smuggs answered – not always possible to attribute the loss/damage to a particular guest.
- Checklist – recommended that guest be required to use the RCI type lists in rental homes – reply: RCI is a different user and shares sense of ownership with trading member homes. Guests are paying and resent being suspected of considering theft, and do not wish to be troubled by a lengthy inventory requirement
- Note dramatic changes from previous years.
- Need to review and determine damage caused by guests vs by staff
- Loss of enhancements are more of concern to HO's

SNHA Insurance Overview

2015-16

Joe Ingram

Master Policy – covers 100% replacement cost for the building properties and structures and some built in furnishings and General liability of the group at \$1,000,000

- Property Loss based on agreed upon values
- Terrorism is a part of coverage
- Directors and Officers – for Board, Regime
Directors and volunteer leaders
- Umbrella extending liability to \$50,000,000
- Fidelity bond on staff handling funds
- Records – loss and recovery for SNHA and Regimes

Homeowner Unit Policy for contents, renter's liability, and loss of use and/or rental income

- Separate policy from the master policy, and is **the responsibility of the homeowner** to obtain and pay for separately.
- May Use Associates of Glens Falls, or
- Shop and select an agent of your choice. Be sure that agents offering policies understand the limits of the master policy so you can be sure your unit owner policy limits your exposure to loss without duplicating or carrying excessive coverage.

Homeowner Unit - Coverage to obtain:

- “Renter’s liability”
- “Loss of rental income or use of your home”
- Betterments and improvements
- Be sure that your agent is familiar with how your Smugglers’ home is used in order to include all the necessary components for your situation.

Insurance Reserve

Fund maintained by SNHA to cover out of pocket deductible

- Policy Deductible is currently at \$5,000. SNHA Reserves are maintained to cover from \$2000-5000 of the policy deductible to reduce homeowner out of pocket loss.
- Annual Cost to Homeowners for funding the reserve ranges from \$35 – 125 depending on the insured value of the home.
- Covers losses between the first \$1,000 and \$5,000
- Master Policy Insurance kicks in at \$5,000
- Sometimes Home Unit policy will also cover a portion of the deductible

Maintenance Update

Bob Oehrlein and Tracy Whitney

- In the past almost all of the work completed inside of the homes has been done by the SNMCo maintenance department.
- Now work is being referred to SNHA. Assistance with these projects by SNHA is not covered under the SNHA Basic Service Fee and is subject to an additional charge.
- These projects are considered to be special projects to a particular home.
- Vendors and outside contractors are being added to our list to meet the growing needs of these projects.

Examples include

- QHP action list items that are time sensitive
- Appliance replacements
- Upgrades in cabinetry and countertops
- Flooring repairs or replacements
- Furnishing
- Entry doors and SafLok
- Water heater replacements
- Bath and kitchen renovation
- Fireplace cleanings and inspections (non-renting homes)
- Plumbing repairs
- Electrical work
- Painting
- Extensive cleaning
- Asbestos/abatement
- deliveries

Process

- When you need assistance, call or email Tracy Whitney (802) 644-5865 tracy@snha.net
 - Tracy will help you define the scope of work and develop a plan of action. Contractors that are available and appropriate for the job will be assigned to review the scope and draw up an estimate. If the scope of the work changes as the project is moving along you will be immediately notified.
 - Tracy will track the work and report progress to you including details and photos if requested and needed.
 - When the work is complete, SNHA will pay the vendor and invoice you. Some work will require funds up front for materials.
 - If this is an QHP action list item Tracy will be in contact with both Kimberly Hubbard and Lauren McKenzie so they are aware that you have completed the work and request their review if needed.
-
- **Fall work - please schedule during August- September**
 - **Spring work - please schedule during February- March**

Nominating Committee Report – Florrie Paige

Florrie presented the Nominating Committee Report which calls for the election of 4 Directors

This year there are 4 Director positions open, each with 3 year terms ending in July 2018. The nominating committee has recommended to the Board and the Board has approved nominations as follows for 3 Directors whose terms end in 2015 to be re-elected for terms to end in 2018:

Bob Oehrlein C 25

Jay Kahn PS 10

Lonny Gee MV 32

The Nominating Committee has recommended and the Board has approved the nomination of:

Pallas Snider-Ziporyn MV 21 to be elected for a Director position with term to end 2018.

A motion was made and seconded and all approved the election by voice vote as presented above.

There being no new Business or other business raised by the Board and/or by the homeowner membership, Bob Oehrlein entertained a motion to adjourn.
Approved by voice vote.

Meeting Adjourned at 12:15 PM

During the lunch that followed, Smugglers' Management staff presented visuals and other information about the current trends and programs being offered and marketed by the Resort.

Social Gathering and Picnic

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held at the tent at the base of Morse Mt
on the common ground at Smugglers' Resort
Scheduled to begin at 5:00 PM

A good time was had by all !