

# Greetings to all TBRV Condominium Association Members

Leaping into a new year can be frightening as well as challenging. None of us know all that 2017 will bring. However, it is with refreshing certainty there will always be change; in the world, in the land we call home, and in us.



As we begin to look ahead to our 2017 season in Traverse City, the Board of Directors thought it appropriate to provide everyone a glance into our plan for what we hope will be a very Happy New Year at the Resort.

## Communication

Reflecting back on our 2016 season, one theme that played consistently was how well (or not) we communicated with each other and how we can improve. The clarity of your voices and the demand for change was well received and then reviewed for specific actions by the Board.

It was also noted by the Board the majority of our Association membership recognizes not every single co-owner is able to participate on-site during the six months we are open in Traverse City. Many co-owners have voiced that, while the round-table style of Association meetings provide good information, they fall short in the desire to communicate with the entire membership. Co-owners have expressed that, during the off season, they are exposed to a wide variety of ideas, methods, and models for communication. Many have come forward with solid improvement suggestions as to how the Board could better communicate with all of the membership.

1. To this end, starting in 2017, all Association communication will move to a newsletter format:
  - a. This communication format will be designed and coordinated by Mark Matta and then published via the Association eBlast process to all co-owners. This format replaces the need for round-table meetings and ensures each co-owner has the same information.

- b. While the specific layout is still being worked on, the newsletter format will include seasonal items of importance from the Operations Manager, a section for Questions and Answers (Q&A) between members of the Association, and other featured articles to serve as a method for open dialogue and communication with all our members. The Board believes this improvement will ensure overall clarity, consistency, and timeliness so communication with all of our co-owners is both factual and meaningful.
2. Also of note, as we proceed into 2017:
  - a. Regular Board meetings, while remaining open to all Association members, will continue to focus on specific Board business that is part of a prepared agenda.
  - b. The Annual Meeting of the Association will return to the month of June as has been the practice in place since at least June 2009. This action removes any possible confusion around the spring ballot election announcement and aligns the annual meeting with the previously approved 2012 membership decision providing for alternate two (2) year terms for Board seats to be filled on a June to June rotation cycle.
3. The Notice of Intent Determination Criteria:
  - a. In May/June 2016, the Board committed to a review, revision, and re-approval of the Notice of Intent Determination Criteria.
  - b. This revision serves to assist prospective candidates who wish to self-nominate for service on the Board of Directors and provides an easy reference to help every co-owner with the decision making process.
  - c. We are pleased to report this criteria (available on the Owners Only web page) is now ready for inclusion with the mailing of the self-nomination informational packets to each of our co-owners in early 2017.

## **Financial**

Throughout 2016, the Board listened to many comments and suggestions for additional detail to be presented in the annual budget. We are pleased to report the approved 2017 budget (available on the Owners Only web page) contains this additional detail of our income and expenses.

Also starting in 2017, the Association's CPA office is updating to the latest version of the QuickBooks® accounting software for all of our financial statements and reports. The treasurer, in conjunction with the CPA, is planning to provide quarterly reports which will compare actual expenses to budgeted amounts.

Other notable financial opportunities in 2016 that will lead to 2017 improvements, decisions, and challenges include:

1. Rehmann Robson, LLC completed the required independent oversight review with respect to the 2015 financial statement provided by Larry Williams, CPA.
  - a. This review assures the Association membership there are no material modifications that should be made to the prepared financial statements in order for them to conform to the accounting principles generally accepted in the United States.
  - b. Although required by MCL 559.157, the Board determined that, for many years, the requirement for the independent oversight review had been set aside and not even presented as an opt-out option by affirmative vote from the majority of the Association membership.

- c. To satisfy this annual requirement going forward, there will be a separate line item on every spring ballot provided to each lot owner where a vote may be cast to opt-out of the required independent review by a certified public accountant of the Association's annual financial statements. In order for the opt-out decision to pass, an affirmative vote from the majority of the members is required.
  - d. As a point of reference, the budgeted cost is between \$5,000.00 and \$6,000.00 in order to satisfy the annual independent review requirement.
2. The request for an updated, formal, and unbiased Reserve Study, to be completed by an independent firm, was made by several co-owners and recommended by the Rehmann Robson, LLC independent review report.
    - a. The initial Reserve Study was conducted in August 2011 by individuals internal to the Association membership. This study remains posted on the Owners Only web page.
    - b. The validity of the initial study as a complete and official record to estimate the remaining useful life and replacement costs of common property has been called into question by various members of the Association.
    - c. The Board determined the best course of action is to include this recommendation as a separate line item on the 2017 spring ballot provided to each lot owner where a vote may be cast for the updated, formal, and unbiased Reserve Study to be completed by an independent firm. In order for the recommendation to pass, an affirmative vote from the majority of the members is required.
    - d. If approval to proceed is received, the request for proposals with cost quotes will be initiated with independent firms who specialize in this line of work.
  3. We have ended the 2016 year in a good financial position except for the unplanned legal expenses discussed during the Annual Meeting last September.
    - a. As an update, between 08/08/2016 and 12/08/2016, the Association has paid \$25,755.90 to the office of Smith and Johnson (Attorneys) for work specific to this legal case.
    - b. The Association has also paid \$1,847.50 to the office of L. E. Williams & Company for the production of records, invoices, and other documentation specific to this legal case.
    - c. The total cost to date of \$27,603.40 does not yet include additional invoices from all costs incurred from the CPA (acting as the Resident Agent), the Mediation ordered by the Court, and the remaining 2016 and future 2017 Attorney and other legal expenses.
  4. One final note for 2016, the Board has executed a Letter of Engagement with L. E. Williams & Company, P.C. for continued Bookkeeping, Compilation, Tax Planning and Preparation, and Supervision services in 2017.

## **Social Program and Events**

We started the 2016 season using one volunteer from the Association as a single social coordinator. While we thought this concept was valid, we soon learned there was more work to great social events than what a single volunteer coordinator could handle. Also, through the months of June and July, we had on-site Association members who requested additional oversight from the local Department of Health inspectors and Fire officials to ensure our operations, kitchen activities, and volunteer staffs were safe, sanitary, and within local permits, compliance statues, and training guidelines.

By the end of the 2016 season, the Board had a group of seven co-owners step up as social coordinators with ideas and creative plans for improvements. They created the Resort Social Activity Program for 2017 (available on the Owners Only web page) and prepared a straw-man of activities for our 2017 season. The Board believes the 2017 Social Program structure will prevent the additional cost for a work-camper serving as an overall social coordinator and provide our owners and guests with social events of high quality and outstanding variation.

## Onward

New challenges and exciting adventures are forever on the horizon for folks who have chosen the RV lifestyle. As you prepare to return to your own slice of Heaven on Earth within our Up-North home, please find your own renewal to be at peace with your neighbors as well as within yourselves. Resolve to do good and focus on encouragement of others so that we all may become better in everything we do.

I would also ask for you to pass along your continued gratitude and praise for all the hard work and meticulous operational excellence Dave and Kathy Scheppe and our Operations Manager, Frank Caccavo, provide to our Resort and Association. We are all very proud to announce our very own Traverse Bay RV Resort is the only Good Sam 10/10/10 perfect rated park for 2017 within the State of Michigan. For your reference as you travel, a complete listing of all Good Sam perfect rating parks is available on the Owners Only web page.

Please join with me as we press onward together into a 2017 season filled with joyous memories, outstanding friendships, and lasting, loving relationships. See you all back at the ranch and, until then, happy trails and safe travels.



Respectively submitted,

/s/

Len Stenzel  
President, TBRV Condominium Association