

I voluntarily serve as your President of the (**HV@MBA**) Harbor Village at Manistee Beach Association Board. Also known as “The Master Board” (**MAB**). This is the umbrella organization that manages our community’s assets such as the Indoor and Outdoor Pool facilities, Ponds, Playground, Fish Cleaning Station, Pump-out Station, Security System, all areas of Harbor Village (**HV**) that are ‘common areas.’ Additionally, I lead the **MAB** Executive Committee (**EC**). The four officers of this committee are responsible for scheduling meetings, establishing an annual budget, and serving as the general liaison with the Master’s Property Manager (**PM**) for day-to-day operations of **HV**, including emergencies.

Since I began this role last summer, it’s become clear to me that many Co-Owners are not aware of the roles and responsibilities of the **MAB** or how decisions are being made. The Master Association Board is comprised of the 12 Associations within **HV**. When an agenda item is voted on, the current **MAB** By-Laws specify voting outcomes are weighted based on the number of condominium units in each Association, as follows:

Harbor House	1	0.33%	Harbor Side East	28	9.15%
HVA (Storage Units)	1	0.33%	Harbor Side West	28	9.15%
North Pier	2	0.65%	Lakeview	32	10.46%
Harbor Pt. Estates	10	3.27%	Cottages	34	11.11%
Lake Shore II	12	3.92%	Brook Harbor	38	12.42%
Lake Shore I	20	6.54%	Marina	100	32.68%
				Total	306
					100.00%

The reason I am outlining this today is to let you know how decisions at board meetings impact **all 306 Co-Owners**. Given the mandates for full disclosure and transparency, following are impactful events which occurred during the April 6th **MAB** meeting.

1. Property Management: Last fall, a few Associations expressed an interest in changing property management (**PM**) and a committee of Co-Owners was established to research options. Schmidt Rogers Management (**SRM**) in Traverse City, is the **PM** for the Master and all 12 **HV** Associations for the last 11 years. The committee’s excellent due diligence work resulted in interviews with both **SRM** and Cornerstone Management out of Holland, MI. Following those presentations and discussion with Association representatives, four of the largest associations confirmed their preference for Cornerstone Management. *While final results are pending*, the other eight Associations plus the Master Association, indicated a preference to continue with **SRM**.

While all of their reasons for changing their **PM** were not disclosed to the **MAB**, reasons for maintaining **SRM** include their institutional knowledge, closer geographic distance to Manistee, the on-site services they manage (Troy Kammerzell), and competitive management fees. Additionally, **SRM** has made improvements to their internal staff, services, data tracking, and responsiveness to **HV** in the past year.

SRM has made it clear that it does not make sense to manage individual Associations without the Master Association’s contract. Because of the weighted voting process, a consortium of a few (the largest) associations decided to cast their votes together at the next **MAB** meeting and

force the Master Association to end its contract with SRM. This impacts all Associations in HV. Specifically, every association will have to find a new PM, and at the start of the busiest time of the year.

What Can You Do? A special meeting of the **MAB** is set for May 18th. We will likely be voting on the retention or termination of the incumbent **PM**. I hope that by sharing these facts with you before that meeting, you will not be taken by surprise if your Association loses **SRM**. Please contact your Association President if you support that each Association and **MAB**, should have the ability to choose its **PM** and that you refuse to be pressured by the decisions of other (a few) Associations.

2. Pools Renovation Project: The **EC** empaneled a Pools Committee of fellow Co-Owners to investigate and report on the status of both the Indoor and Outdoor Pool and Spa facilities and to identify necessary repairs and renovations with cost estimates, levels of urgency, and prioritization. The committee gave its very thorough report at the April 6th board meeting, followed by a discussion among **MAB** representatives on timeline and funding options.

A motion was made to create a two-year phased project and the necessary special funding spread over the project's timeframe. Again, the consortium of Associations referenced above, voted this proposal down, indicating it will not support funding future projects until the Master Association hires "their choice" of PM.

What Can You Do? I am hopeful this matter will be resolved at the May 18th meeting as well. The longer these repairs are held off, the more expensive they will become for **HV**. Hopefully, the leadership of the 12 Associations will come together and vote for what is best for our entire HV community. Let your Association President know if you support the significance of the pools as the main **HV** assets for enjoyment and resale value, and required maintenance should **NOT** be contingent upon who the **PM** is.

3. Budgetary Matters: I am pleased to report that as of March 31, 2024, the financial position of **HV@MBA** is sound. The 2024 Operations/Maintenance Budget was passed December 2nd, 2023. The Special Projects portion of the budget (Landscaping, Ponds, Playground, etc.) was approved April 6, 2024. Refurbishments to the Fish Cleaning Station and a budget, were also approved. With **SRM**'s assistance we strengthened expenditures processing, expense approval procedures and the Reserve Account balance. We anticipate no change in monthly fees this year, but given the pools' necessary refurbishment, a special assessment is in focus.

Many of us call **HV** our primary residence, and in harmony with those who chose **HV** as their vacation home or boat slip, we realize how lucky we are to live in such a beautiful place that has such wonderful amenities. We all invested here for that reason, and I am confident we all want to keep it that way! I look forward to seeing you all soon in Harbor Village!

My best regards, George Vitta, President, **HV@MBA**