

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING
Friday February 21, 2014 – 9:00am
Banyan Harbor Unit A4**

1. Roll Call

President Solberg called the meeting to order at 9:00am.

Board Members Present at Banyan Harbor

| | | |
|-----------------------------------|-------------------------------------|-------------------------------|
| Jim Solberg, <i>President</i> | Sharon Baker, <i>Vice President</i> | |
| Stephanie Gonos, <i>Secretary</i> | Ed Madamba, <i>Treasurer</i> | Deborah Rice, <i>Director</i> |

OLS Hotels & Resorts

Rick Ball, *Vice-President, OLS Hotels & Resorts*
Lyle Otsuka, *General Manager, Banyan Harbor*
Dale Verkaaik, *Controller / HR, Banyan Harbor*
Tore Wistrom, *Consultant, OLS Hotels & Resorts*

Others in Attendance

Meryl Ferrari (AOAO Board), Gus Enderlin (AOAO Board), Jill Briley (AOAO Board), Elizabeth Fernandez (AOAO Board), Harry Baker (121T1/T2 & 139 R1/R2), Bonnie Solberg (H051Z1), Penny Madamba (H111G2), Ray Smith (H057D1) and Ben Bregman (Timeshare Developer).

2. Proof of Notice

Lyle reported that notice was posted on 1/15/2014

3. Approval of Meeting Minutes

- a. **Board meeting minutes of November 20, 2013** – Jim asked if there were any changes or corrections to submitted minutes. Hearing none, the following motion was made:

MOTION: *To adopt the minutes as presented.*

MOVED BY: Stephanie Gonos, Second: Sharon Baker
VOTE: Unanimous
RESULT: PASSED

4. Management Reports

- a. **Board President's Report** – Jim reminded everyone RCI comments is a great way to improve on negative comments however, we also need to keep in mind that the majority of cards are good comments. We have also enjoyed phenomenal success over the years and staff takes each comment and addresses it as needed. Jim continues to appreciate everything the staff and OLS does to maintain our property in these tough economic times.

- b. **Manager's Report** – Lyle once again acknowledged our great team of Banyan Harbor associates. We finished the 2013 year (OLS guest comment scores) in 4th place. Quite the accomplishment for Banyan Harbor. Lyle informed the Board of Ginger Soboleski retirement. She will be sorely missed. Lyle also informed the Board based on our RCI comments; we are refocussing staff back to basics. Lyle also updated the Board on the Solar project, Wi-Fi plan and covered a few of the major projects accomplished during the year. He then deferred to his submitted written report. Questions were asked and discussed regarding staff safety handling linen etc. and challenges with Ving card keys not working. Lyle addressed both; Staff is trained to utilize gloves and a different type battery seems to be helping the Ving door lock challenge.

5. Financial Reports

- a. **December 2013 Financial** – Rick reviewed the financial results through December 2013. Revenues year-to-date were ahead of budget by \$14,436. This was due to increases in late fees and amenity fees. Payroll, payroll taxes, health insurance slightly below budget (-\$3,740) as well as operating expenses (-\$9,359). Utilities were over budget by \$7,883. The staff continues to do an excellent job in managing controllable expenses, which were \$13,099 favorable to budget for the year. Through December 31, 2013, Net Earnings were a surplus of \$19,664 and will be rolled over into 2014 capital reserves. A motion was then made to move this net profit of \$19,664 to the Capital Reserves.

MOTION: *To move the Net Profit of \$19,664 to the Capital Reserves.*

MOVED BY: Sharon Baker, Second, Stephanie Gonos
VOTE: Unanimous
RESULT: PASSED

- b. **Reserve Study** – Rick reviewed the reserve study highlighting 2014 projects. We recently completed the walk through inspections of all timeshare units, assessing needs for future replacement of furniture and other capital needs. Total capital expenditures in 2014 forecasted to be \$203,254. President Solberg commented positively on the new sliding screen doors. Tore informed the Board that when we recently sold unit 49 out of Timeshare, the Timeshare Association received \$25,000.00 from the sale. This amount was put into the Capital Reserve which will help when it comes to refurbishing needs in 2014. We continue to monitor capital projects as to not over-extend ourselves, but ensure we maintain the furnishings, fixtures and equipment of the units. The 20 year Reserve Study, which is reviewed by the Board quarterly continues to be a good tool to show funding for anticipated future projects.
- c. **Collection** – Rick reported and reviewed the recapped summary of outstanding maintenance fees. Year to date we are seeing improvement and by reducing our timeshare inventory, we will continue to see a decrease in the current 120 weeks in the timeshare association (foreclosed) inventory. We also offer credit card payments to delinquent owners as long as they agree to the 3% fee. Ben also feels the resale industry is slowly recovering and he may be able to start accepting listings from timeshare owners. We along with Ben Bregman continue to look for different ways to move foreclosure weeks. .

6. Unfinished Business

- a. **RCI Comment Cards** – Overall our Banyan Harbor comments continue to be favorable for our type property. With our staffs focus on returning to basics, we should continue to see improvements. Stephanie mentioned many comments are contradictory. Ben also commented that the most relevant unbecoming comments are in relations to road noise,

location and stairs. We will also be pulling up RCI comment scores/ details on a weekly basis. This will allow a quicker response time to curb/fix challenges.

- b. **Photo Voltaic Installation** – Rick updated the Board on the project status. Challenges we are currently working on are glare and KIUC requirements. We should be able to overcome these challenges. There has been a revision to the sewer plant panels which will now be ground mounted next to the flat area closest to the sewer plant.
- c. **Sale of Timeshare week and De-annexation update**- Tore recapped the sale of the 3 units in A5 – 2012, D49- 2013 & D50 in 2014, which have either already been transferred out of timeshare or is in the process. To date everything looks good for the sale of unit A50 and estimated completion is targeted for June 2014.
- d. **Other** – President Solberg asked if there was any further old business and hearing none moved on to new business.

7. New Business

- a. **Annual meeting agenda** – Rick reviewed the annual meeting agenda.
- b. **Meeting dates 2015** – Rick reviewed previous discussions and reason for teleconference date change and moving up the September meeting to August. Discussion ensued and the following motion was made:

| | |
|----------------|--|
| MOTION: | <i>To adopt the 2015 meeting dates as presented</i> |
|----------------|--|

MOVED BY: Stephanie Gonos, Second: Deborah Rice
VOTE: Unanimous
RESULT: PASSED

- c. **Other new business** –Discussion ensued regarding an owners request to remove prepayment of maintenance fees when banking week. Much discussion ensued and for all the reasons this policy was adopted, the Board decided it best to stay with the policy with one caveat; Management has the discretion based on owners past payment history, to make exceptions. The Board also reviewed the written policy of accepting credit card payments for maintenance fees with a fee. Jim then asked if there was any further new business, hearing none the Chair entertained the following motion.

| | |
|----------------|---|
| MOTION: | <i>To move into Executive Session for personnel matters (10:10 am)</i> |
|----------------|---|

MOVED BY: Stephanie Gonos, Second: Ed Madamba
VOTE: Unanimous
RESULT: PASSED

Board reconvened Into Regular Session at 10:25 am.

- 8. **Adjournment**- Hearing no further new business the following motion to adjourn was made:

| | |
|----------------|--|
| MOTION: | <i>To Adjourn meeting at 10:25 am</i> |
|----------------|--|

MOVED BY: Sharon Baker, Second, Ed Madamba
VOTE: Unanimous.
RESULT: PASSED