

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING- TELEPHONE CONFERENCE CALL
Thursday May 15, 2014 – 8:00am
Banyan Harbor Unit A4**

1. Roll Call

President Gonos called the meeting to order at 8:00am.

Board Members Present at Banyan Harbor

Stephanie Gonos, *President*

Deborah Rice, *Vice President*

Jill Briley, *Secretary*

Ed Madamba, *Treasurer*

Jim Solberg, *Director*

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 - None

2. Proof of Notice

Lyle reported that notice was posted on 4/16/2014

3. Approval of Meeting Minutes

- a. **Board meeting minutes of February 21, 2014** – Stephanie had a correction on page 2 and asked if there were any other changes or corrections to submitted minutes. Hearing none, the following motion was made:

MOTION:	<i>To adopt the minutes with a correction.</i>
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MOVED BY: Ed Madamba, Second: Deborah Rice

VOTE: Unanimous

RESULT: PASSED

- b. **Organizational meeting minutes of February 22, 2014** – Stephanie asked if there were any other changes or corrections to submitted minutes. Hearing none, the following motion was made:

MOTION:	To adopt the minutes as presented.
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MOVED BY: Ed Madamba, Second: Jill Briley

VOTE: Unanimous

RESULT: PASSED

4. Management Reports

- a. **Board President's Report** – Stephanie thanked the Board for their support going forward, as it would be difficult to fill the shoes of Jim Solberg. She also thanked the staff for their continued dedicated work to continually improve Banyan Harbor. She also felt the March newsletter provides valuable information with scam and ownership transfer guidelines.
- b. **Manager's Report** – Lyle acknowledged our great team of Banyan Harbor associates. We currently rank at 92.3% in OLS Guest comment score (6th place) for the 1st quarter 2014. Lyle mentioned our staff continues to focus on the basics and we are seeing improvements in our RCI guest comment scores. Lyle also updated the Board on the closet mirror replacement project and the move towards a darker hardwood living room look (10 units). He then deferred to his submitted written report.

5. Financial Reports

- a. **March 2014 Financial** – Rick reviewed the financial results through March 2014. Revenues year-to-date were behind budget by \$3,810 mainly due to less late fee income and slightly less amenity fee income. Payroll, payroll taxes, health insurance favorable to budget by \$7,843, and operating expenses were over budget by \$2,730. Utilities were slightly over budget by \$427. The staff continues to do an excellent job in managing controllable expenses. Through March 31, 2014, Net Earnings were a surplus of \$19,539 (\$876 favorable to budget). Stephanie asked how our Amenity fees compared to other timeshares and if there were guest collection challenges? Lyle commented our fee is \$55 per week as compared to other Timeshares at \$75-\$95 per week. No major guest acceptance challenges.
- b. **Reserve Study** – Rick reviewed the reserve study highlighting 2014 projects. We have or are in the process of placing orders based on recent annual inspection reports. As of 3/31/14, the remaining 2014 capital expenditures are forecasted to be \$107,973. President Gonos commented that a few projects are more than originally budgeted. Tore explained that additional capital reserve funds will be forthcoming from the sale of unit 50 allowing Timeshare to increase replacement plans. 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 have continued to see a decrease in timeshare association (foreclosed) inventory.

6. Unfinished Business

- a. **RCI Comment Cards** – Overall our Banyan Harbor comments continue to be favorable for our type property. Tore informed the Board we now generate weekly RCI reports and share it with all managers. Lyle reiterated it generates a quicker staff review and we have already noticed an improvement. Jim mentioned comments are sometimes related to Gold Crown owner's higher expectations of their home resorts.
- b. **Photo Voltaic Installation** – Rick updated the Board on project status. We met recently with Michael Chen of ADON and will be closely managing their progress. Adon projects turning on buildings as completed. We are anticipating building L will be turned on shortly.

- c. **Sale of Timeshare week and De-annexation update**- Tore recapped the sale of D50. All deeds have been received and should be consolidated for recording by June 15th. This sale will provide Timeshare cash infusion into capital reserves. These additional funds assist funding projects such as new Living room furniture. Jim asked what Banyan Condos are selling for. Tore said they are ranging between \$180-\$190K.
- d. **Other** – President Gonos asked if there was any further old business and hearing none moved on to new business.

7. New Business

- a. **Audit Bid** – Rick reviewed CPA Terry Wong’s audit bid. He once again has held his pricing and this year completed our Audit a lot quicker than past years. President Gonos asked if there was any further discussion and hearing none, the following motion was made:

MOTION: *To accept the Audit Bid as presented*

MOVED BY: Deborah Rice, Second: Ed Madamba
VOTE: Unanimous
RESULT: **PASSED**

- b. **Other new business** –Deborah informed the Board that her mother (Ruth Coburn) recently passed away at age 98. Stephanie asked if there was any further new business. Hearing none the Chair asked if there was any business for Executive Session. As there was none, the Chair entertained the following motion.

8. Adjournment- The following motion to adjourn was made:

MOTION: *To Adjourn meeting at 8:30 am*

MOVED BY: Jim Solberg, Second, Ed Madamba
VOTE: Unanimous.
RESULT: **PASSED**