

BANYAN HARBOR TIMESHARE ASSOCIATION

BOARD MEETING

Wednesday November 14, 2012 – 9:00am

Banyan Harbor Unit A4

1. Roll Call

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

Board Members Present at Banyan Harbor

Sharon Baker, *Vice President* Stephanie Gonos, *Secretary*
Ed Madamba, *Treasurer* Deborah Rice, *Director*

Jim Solberg, *President (absent)*

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) and Harry Baker (121T1/T2 & 139 R1/R2).

2. Proof of Notice

Lyle reported that notice was posted on 10/12/2012

3. Approval of Meeting Minutes

- a. Board meeting minutes of September 6, 2012 – Sharon asked if there were any changes or corrections to submitted minutes. Hearing no other changes, the following motion was made:

MOTION: <i>To adopt the minutes as presented.</i>
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MOVED BY: Deborah Rice, Second: Ed Madamba
VOTE: Unanimous
RESULT: PASSED

4. Management Reports

- a. **Board President's Report** – Sharon commented on how great a shape our property is in. Appreciates everything the staff and OLS do to maintain our property in these tough economic times. Sharon also thanked the AOAO Board members present, for working together with timeshare to keep Banyan Harbor looking great.
- b. **Manager's Report** – Lyle once again acknowledged our great team of Banyan Harbor associates. He also updated the Board that Banyan Harbor currently maintains 3rd place in Year to Date OLS guest comment scores, with a 96.4% satisfaction rating. Lyle also updated the board that RCI once again, awarded Banyan Harbor the RCI Sliver Crown Resort designation for 2013. Lyle then recapped the current annual lift project and priority of L building lanais and briefly reviewed the distributed 2012 summary of projects completed to date.

5. Financial Reports

- a. **March 2012 Financial** – Rick reviewed the financial results through September 2012. Revenues year-to-date were behind budget by \$18,455 due to the write off of uncollectible late fees from prior years. This has been offset somewhat by the new amenity fee income of \$7,616 year to date. Again the staff did an excellent job in managing controllable expenses, Payroll taxes, health insurance and increased bad debt write off (\$58,750 year to date) contributed to an operating expense over budget year-to-date. Controllable expenses we were \$20K better than budget. Through September 30, 2012, Net Earnings are <\$43,303>. Rick again reiterated our 2012 budget is a really tight budget and with the finalization of the deed backs and foreclosures of prior years, it had a major impact on the year-to-date financials. Rick also pointed out the new insurance summary follows the financials in each of the Boards packet.
- b. **Reserve Study** – Rick reviewed the reserve study highlighting 2012 projects. We continue to be cautious with projects as we need to continue offsetting legal & foreclosure costs. Overall we are tight but in good shape. We continue to monitor capital projects as to not over-extend ourselves, but insure 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, however Timeshare Association continues to have a lot of inventory and it's important we continue to rent this inventory, which assists with cash flow for the Timeshare Association. We continue to look explore ways to reduce the number of association weeks. One way may be to explore donating to charity silent auctions and recapture a dues paying owner. Ben Bregman is also looking at different ways to move more weeks.

6. Unfinished Business

- a. **RCI Comment Cards** – Overall our Banyan Harbor comments continue to very favorable for our type property and are as good as or better than other RCI properties. Deborah Rice commented how appreciative she is in seeing improvements such as the emergency flashlights and bedroom door stoppers.
- b. **Interest charges on late payments** – Administration's recommendation is to not add interest to late Timeshare Association dues at this time and review at a later date. Board concurred, no motion needed.
- c. **Other** – Discussions ensued regarding decreasing number of meetings per year, thus decreasing costs (estimated at \$3500). After discussion the following motion was made:

MOTION: Presented.	<i>To do the September 2013 meeting via teleconference call.</i>
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MOVED BY: Stephanie Gonos, Second: Deborah Rice
VOTE: Unanimous
RESULT: PASSED

Other discussion followed regarding Amenity fees. Lyle recapped program board and forwarded copies of what is included. It is a value added program and guests are fully advised prior to their check in. To date, the amenity fee program has generated \$3,000 in additional revenues for the timeshare association. It is in the 2013 budgets and budgeted to contribute \$48,000 in additional revenues. Owners will not be charged this fee.

Tore also discussed the importance of moving the Timeshare Association foreclosed weeks towards dues paying owners. One idea is to offer to charity silent auctions as a gift, association pays the title transfer fees and we gain a dues paying owner. After discussion board agrees and the following motion was made:

MOTION: *To have OLS Hotels and Resorts pursue the idea of Auctions to assist in decreasing the timeshare foreclosure list.*

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

7. **New Business**

- a. **Budget 2013** – Rick reviewed the 2013 budget and after much discussions the following motion was made.

MOTION: *To adopt the 2013 Budgets as presented.*

MOVED BY: Sharon Baker, Second: Deborah Rice
VOTE: Unanimous
RESULT: PASSED

- b. **Other new business** –Sharon asked if there was any further new business, hearing none the Chair entertained the following motion.

MOTION: *To move into Executive Session for personnel matters (10:08am)*

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

Board reconvened Into Regular Session at 10:15 am.
The Board reported that they unanimously approve the year-end bonuses for staff.

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

MOTION: *To Adjourn meeting at 10:16 am*

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