

**BANYAN HARBOR TIMESHARE ASSOCIATION  
BOARD MEETING - Wednesday November 20, 2013 – 9:00am  
Banyan Harbor Unit A4**

**1. Roll Call**

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

**Board Members Roll Call**

Jim Solberg, President  
Stephanie Gonos, Secretary  
Deborah Rice, Director

Sharon Baker, Vice President  
Ed Madamba, Treasurer

**OLS Hotels & Resorts Roll Call**

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**

Penny Madamba (111-G2), Harry Baker (139-R1/R2 & 121-T1/T2), Jill Briley (AOAO Board), Elizabeth Fernandez (AOAO Board), Meryl Ferrari (AOAO Board), Mike & Laurie McGee (126-Y1), Bonnie Solberg (51-Z1), Linda Garcia (AOAO board), Gus Enderlin (AOAO Board).

**2. Proof of Notice**

Lyle reported that notice was posted on 10/17/2013

**3. Approval of Meeting Minutes**

- a. **Board teleconference meeting minutes of September 12, 2013** – Jim asked if there were any changes or corrections to submitted minutes. Hearing none, the following motion was made:

<b>MOTION:</b>	<b><i>To adopt the minutes as presented.</i></b>
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**MOVED BY:** Sharon Baker, Second: Ed Madamba  
**VOTE:** Unanimous  
**RESULT:** PASSED

**4. Management Reports**

- a. **Board President's Report** - Jim commented how discouraging it can be to read the RCI comments cards, knowing how hard our staff and management team works to ensure our property is the best it can be. However we cannot lose sight of our continual quest to keep improving where we can. Also if you look at our past improvements and the 20 year capital plan, one can see how far we have come and where we are headed. Also our staff's recent retainment of the RCI Silver Crown award speaks volumes of our Staffs commitment. Sharon also noted it would be interesting to see if negative comments were from Gold crown owners.
- b. **Manager's Report** – Lyle once again acknowledged our great team of Banyan Harbor associates. Through October OLS guest comment scores, we continue to rank #4 in year to date scores with a 95.4% rating. Lyle reviewed the RCI Silver Crown award and reiterated, it is better our property be rated Silver Crown versus Gold Crown because we

don't offer the same type of facility as a Gold Crown however, we do provide Gold Crown service. He also updated the Board on the solar project and covered the Wi-Fi challenges and improvement plans. He then deferred to his submitted written report.

## 5. Financial Reports

- a. **September 2013 Financial** – Rick reviewed the financial results through September 30, 2013. Revenues year-to-date were ahead budget by \$15,049. This is due to the new amenity fee and increased late fees collected. Payroll slightly unfavorable to budget due to increased housekeeping labor for general cleaning needs. Other operating expenses slightly under budget. Utilities slightly over budget by \$1,394. Net earnings are favorable to budget by \$15,463 year to date. Staff continues to do an excellent job in managing controllable expenses. Any surplus at the end of the year will be rolled over to the Timeshare Capital Reserves.
- b. **Reserve Study** – Rick reviewed the reserve study. Total capital expenditures in 2013 forecasted to be \$164,455 and we are currently forecasting to carry over a surplus at year end of \$6881. 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. Timeshare unit walk through will commence the middle of January 2014.
- c. **Collection** – Rick reported and reviewed the recapped summary of outstanding maintenance fees. Year to date we continue to see improvement due to unit 49 deannexation and the rental of Timeshare Association ownership weeks. Also the switch to semi annual billing has not only saved billing costs, but also assisted in the Timeshare Association cash flow. The Timeshare Association currently owns 124 foreclosed weeks. This is net of the unit #49 deannexation. With unit #49 deannexation, we now have 38 units in the timeshare inventory.

## 6. Unfinished Business

- a. **RCI Comment Cards** – Overall our Banyan Harbor comments continue to be favorable for our type property and are as good as or better than other RCI properties. Debbie asked about the suggestion to add more laundry soap. Lyle commented we provide the first laundry soap free and additional laundry soap is available at the front desk for sale. This in turn assists in maintaining timeshare expenses. Sharon again commented how Gold Crown owners have a higher expectation, sometimes unfair to Banyan Harbor as we are not a Gold Crown resort. Tore expressed our concerns on comments of our timeshare unit appearance, as we are quite critical during our annual unit inspections. Management will continue to focus on improvements where financially possible.
- b. **Update Photo Voltaic Installation** – AOA Board of Directors approved phase 2 which includes all additional buildings with re-roofing and solar panels. We anticipate starting in the 1<sup>st</sup> quarter of the New Year, once phase 1 is completed. Electrical savings with Solar is projected to be 20%. Total completion of Phase 2 is slated for the end of summer 2014 dependant on our Kauai weather.
- c. **Bulk Sale** – Deannexation of D49 completed and unit will be put on the market for sale. Timeshare developer Ben Bregman has pledge \$25,000 to the timeshare association upon the sale of unit #49. Timeshare now has 38 units in its timeshare inventory. Based on the increasing foreclosure numbers, we expect a need to do another deannexation in 2014.

- d. **Board Expenses**- Jim reiterated with the last Board meeting being a teleconference, there were no meeting expenses to report. Having a teleconference saved the Timeshare Association quite a bit of expense. Although it is difficult to not physically be on property for inspections, the Board did feel a once per year teleconference is definitely something that should be looked at annually.
- e. **Meeting Schedule 2014** – Much discussion on evenly spacing meetings. In the past the September meeting was scheduled to not interfere with higher summer occupancy's. However with the introduction of a teleconference meeting, it was felt we needed to better space physical property meetings. Hence the following motion was made:

<b>MOTION:</b>	<b><i>To move the September meeting to August 15, 2014, and to make the May 15, 2014 meeting a teleconference meeting and to set the Timeshare annual meeting date for 2015 to February 20, 2015 (Board meeting) and February 21, 2015 (Annual meeting).</i></b>
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**MOVED BY:** Deborah Rice, Second: Stephanie Gonos  
**VOTE:** Unanimous  
**RESULT:** PASSED

- f. **Other** – Rick noted the renewed property insurance summary was included in all Board packets. It also included Timeshare Board of Directors coverage. Jim thanked OLS Hotels & Resorts for once again shopping our Timeshare and property insurance. Jim then asked if there was any further old business and hearing none the Chair moved to new business.

## 7. New Business

- a. **Budget 2014**- Rick presented and reviewed the 2014 budget; there is no increase budgeted for 2014. Although difficult, staffs cost reductions and deannexation has assisted in stabilizing costs. It will be difficult to continue this in the future, however 2014 is an exception. After much discussion the following motion was made.

<b>MOTION:</b>	<b><i>To adopt the 2014 Timeshare Budget as presented.</i></b>
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**MOVED BY:** Sharon Baker, Second: Ed Madamba  
**VOTE:** Unanimous  
**RESULT:** PASSED

- b. **Other new business** – The question of credit card usage was raised. Lyle reviewed past history when it was decided to discontinue use of credit card payments, as it was unfair to the Timeshare Association owners who paid for processing costs for the few who utilized this payment method. Since then, it is allowable to accept credit card payments if Timeshare owners are willing to pay for the credit card discount fee. Jim asked if there was any further new business, hearing none the Chair entertained the following motion.

<b>MOTION:</b>	<b><i>To move into Executive Session for personnel matters (10:05 am)</i></b>
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**MOVED BY:** Deborah Rice, Second: Sharon Baker  
**VOTE:** Unanimous  
**RESULT:** PASSED

Board reconvened Into Regular Session at 10:20 am, and reported employee staff holiday bonuses were approved.

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

<b>MOTION:</b>	<b><i>To Adjourn meeting at 10:20 am</i></b>
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**MOVED BY:** Stephanie Gonos, Second, Sharon Baker  
**VOTE:** Unanimous.  
**RESULT:** **PASSED**