

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING
Wednesday, November 18, 2009 – 9:00am
Banyan Harbor Unit A4**

1. Roll Call

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

Board Members Present at Banyan Harbor

Jim Solberg, *President* Sharon Baker, *Vice President*
Bob Garcia, *Treasurer* Ed Madamba, *Secretary*
Stephanie Gonos, *Director*

Outrigger Lodging Services

Rick Ball, *Vice-President, Outrigger Lodging Services*
Lyle M. Otsuka, *General Manager, Banyan Harbor*
Stephanie Nakamatsu, *HR/Accounting, Banyan Harbor*
Tore Wistrom, *Consultant, Outrigger Lodging Services (via teleconference)*

Others in Attendance

Harry Baker, (H121-T1 & T2, AOA Board and timeshare owner), Penny Madamba (I111-G2), Debbie Colburn-Rice (H142-Y1 & Y2), Ruth Colburn (former owner H142-Y1 & Y2), Linda Garcia (G78-O1 & O2) and Meryl Ferrari, (B23 AOA Director).

2. Proof of Notice

Lyle reported that notice was posted on 10/14/2009

3. Approval of Meeting Minutes

- a. **Board Meeting, September 16, 2009** Jim asked if there were any changes or corrections to submitted minutes. Sharon Baker suggested a change to page one to say “the” staff.

MOTION:	<i>To adopt the September 16, 2009 Board of Directors minutes as distributed with corrections as noted.</i>
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MOVED BY: Stephanie Gonos, Second: Ed Madamba
VOTE: Unanimous
RESULT: PASSED

4. Management Reports

- a. **Board President’s Report** – Jim Solberg reviewed RCI guest comments, which were overall very good (a few on weather, hot tub and positive mentions of our activity concierge staff). Jim also commented on how fortunate we are to have a great staff.

- b. **Manager's Report** - Lyle thanked Jim for his kind observations and comments. Lyle reported our staff is intact and happy. Our team continues to maintain good guest comments scores in both OLS comment cards and RCI comments, particularly for staff friendliness. Over the past 2 months we have accomplished the following: Completed curved shower rod replacements, started 32" flat screen television installation with new dressers, replaced 16 queen mattresses and 7 Double mattresses, repair interior door stoppers and kick downs and replaced sofa mechanisms as needed and received 8 stock replacements. Future projects include implement new property management system, continue installation of new dressers for master bedroom and 32" flat screen TVs, begin interior unit door replacement project, and research solutions to noisy bathroom fan motors.

5. Financial Reports

- a. **Financial** – Rick reviewed financial results year-to-date through September 30, 2009: revenues were slightly unfavorable to budget primarily due to less late fee income collected. To date expenses favorable to budget by \$7,232 with payroll up as projects are being completed and electricity is quite favorable to budget by \$37,626. Rick also reviewed the insurance summary for October 1, 2009-2010 and reported wind insurance increased by 9% however our deductible decreased from 5% to 2% of insured value.
- b. **Reserve Study** – Rick recapped 2009, 5 year and 20 year projects (as presented in board packets). Any carry over projects will be rolled over into 2010. We just completed replacing new mattresses and Sofa mechanisms as needed. Focusing on completing 32" TV/ New dressers, drapery and reservations PMS system.
- c. **Collection** –Rick provided an overview of receivable status. Bob Garcia pointed out and Rick explained, because of how the billing quarter ended, receivables are higher than usual. Rick also recapped recent conversations with collection attorney (Pat Childs) regarding the challenges with deed filings with Land Court. This matter warrants further meetings with Ben Bregman and Pat Childs. Although we are experiencing an increase in timeshare receivables, our overall balance is still far better than most other timeshare properties.

6. Unfinished Business

- a. **RCI Comment Cards** – Overall the board commented our scores are consistently improving with the negative comments being consistently on non controllables, such as weather and hot tub.

7. New Business

- a. **2010 Budget** – Rick reviewed 2010 budget and explained payroll remained flat to actual with adjustments in electric and water reflective of actual. Budget reflects a \$33K net earnings however this will be considered for insurance contingencies. Much discussion ensued and the following motion was introduced:

MOTION: *To accept the proposed 2010 Budget as presented.*

MOVED BY: Bob Garcia, Second, Stephanie Gonos

VOTE: Unanimous

RESULT: PASSED

- b. **Remove timeshare from Land Court** – Rick recapped conversations with Pat Childs (collections attorney); to make this change it will take an 85% majority vote of the timeshare owners, making this literally impossible to approve. The current situation is all liens, foreclosures, ownership changes must go through 2 State departments including land court. At this time, the only reasonable solution is for each individual owner, at the time of conveying title, to submit a request to be removed from Land Court. Further discussions were deferred to the next meeting and allow Rick to discuss with Ben Bregman and Pat Childs.
- c. **Travel Reimbursements** – Rick reviewed with the Board the current travel policy (in each board book). Discussions ensued and it was suggested to revise lodging nights so they can be non-consecutive, for both the Annual and Board meetings. It was also decided to include language to allow the car rental allowance to reflect the prevailing Banyan contract pricing for rental cars. A revised policy with changes will be presented at the next Board meeting.

MOTION: *To Revise the Board travel policy to include the above changes.*

MOVED BY: Bob Garcia, Second, Ed Madamba
VOTE: Unanimous
RESULT: PASSED

- d. **2009 Audit Bid**- Rick reported that our current certified auditors (Terry Wong CPA, Inc.) submitted a 2009 bid with no increase. OLS Chief Financial Officer (Martti Mannoja) recently met with Terry Wong and continues to be comfortable with the working relationship with this firm. Discussion ensued and the following motion was made.

MOTION: *To Approve the 2009 audit bid from Terry Wong CPA, Inc.*

MOVED BY: Sharon Baker, Second, Bob Garcia
VOTE: Unanimous
RESULT: PASSED

- e. **New Business**- Jim asked if there is any other new business and hearing none the following motion was made.

MOTION: *To Move into Executive session. (9:55 am)*

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

Moved out of executive session at 10:10 am.

- 8. **Adjournment**- Hearing no further business the meeting was adjourned at 10:10am. Sharon Baker moved; Second Bob Garcia.