

**BANYAN HARBOR TIMESHARE ASSOCIATION  
BOARD MEETING  
Friday February 20, 2015 – 9:00am  
Banyan Harbor Unit A4**

**1. Roll Call**

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

**Board Members Present at Banyan Harbor**

Stephanie Gonos, *President*

Deborah Rice, *Vice President*

Ed Madamba, *Treasurer*

Jill Briley, *Secretary*

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** – Penny Madamba (111-G2), Meryl Ferrari (AOAO President), Ken Wyman (guest), Linda Garcia (AOAO Board member), Gus Enderlin (AOAO candidate J114), Bonnie Solberg (H051Z1), Meredith Moran (guest) and Ben Bregman (Timeshare Developer).

**2. Proof of Notice**

Lyle reported that notice was posted on 2/9/2015

**3. Approval of Meeting Minutes**

- a. **Board meeting minutes of November 19, 2014** – Stephanie 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:** Jill Briley, Second: Ed Madamba

**VOTE:** 4 for 1 abstain

**RESULT:** **PASSED**

**4. Management Reports**

- a. **Board President's Report** – Stephanie reported that the property looks great and nice to see RCI comment scores improving in housekeeping and overall experience. She thanked staff and OLS for bringing the property this far on the Solar project.

- b. **Manager's Report** – Lyle acknowledged our great team of Banyan Harbor associates. We currently rank at 93.7% in OLS Guest comment score (7<sup>th</sup> place) through December 2014. Lyle recapped several projects accomplished during 2014 such as the mirror sliding door replacements, duvets installation, new living room packages and the many other projects. He also touched on the Wi-Fi reliability challenges and solutions going forward. Lyle then deferred to his submitted written report.

## 5. Financial Reports

- a. **December 2014 Financial** – Rick reviewed the financial results through December 2014. Revenues year-to-date are behind budget by \$28,403 due to the de-annexation of units D49 & D50 from timeshare, less late fee income and less amenity fee income also contributed to less revenues. Payroll, payroll taxes, health insurance favorable to budget by \$22,242, and operating expenses were also favorable to budget by \$849. Utilities were under budget by \$5,683. The staff continues to do an excellent job in managing controllable expenses. Through December 31, 2015, Net Earnings is a surplus of \$409 (\$371 favorable to budget).
- b. **Reserve Study** – Rick reviewed the reserve study highlighting 2015 projects. The new duvets were installed along with 10 unit living room furniture packages. We have also started replacing mirror closet doors. We continue to monitor capital projects as to not over-extend ourselves, but ensure we maintain the furnishings, fixtures and equipment of our 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 see improvement and by reducing our timeshare inventory, we have continued to see a decrease in timeshare association (foreclosed) inventory. We have to date de-annexed units A5, D49 and D50. We anticipate de-annexing 1 more unit in 2015. By de-annexing units we maintain a lower amount of Timeshare association owned foreclosure weeks, thus ensuring the financial viability of the Timeshare Association. Jim Solberg pointed out that legal expenses for foreclosure units were much lower than previous year.

## 6. Unfinished Business

- a. **RCI Comment Cards** – Overall our Banyan Harbor comments continue to be favorable for our type property and continue to improve.
- b. **Photo Voltaic Installation** – Rick updated the Board on project status. Despite the delay due to KIUC permit demands, we have now converted ½ of our units to solar. Buildings E & F are delayed due to replacement of needed transformers. Sewer / pool ground mount solar system is currently delayed in customs. Adon Solar is looking for another ground mount system locally. Project currently delayed until a replacement can be found.
- c. **Wi-Fi update** – Rick updated the Timeshare Board of the last AOA Board meeting decision, to move from the current Wi-Fi system, to having each owner decide if they wish to pursue their own individual system at their own cost. Therefore Timeshare will need to purchase Wi-Fi cable service from Oceanic Cable effective May 1, 2015. Staff has negotiated a set rate option for the Timeshare association and installation will commence in May 2015. Timeshare costs will be paid through the Timeshare association entity.

- d. **De-annexation and timeshare sales** – Ben recapped sales for January which totaled 5 and projects 50 weeks will be sold by the end of 2015. Timeshare Industry as a whole is going through a rough time. De-annexation of unit 51 is in process and Ben anticipates to be completed in either June or July 2015.
- e. **Annual Unit Inspection** – Tore reported inspections completed with he and Lyle. We are now in process of compiling replacement orders and analyzing costs and available funds as per capital reserves budgeted.
- f. **Other** – Deborah received several owner calls requesting a return address, fax number and email be added to the ballot. Lyle updated the Board that this unfortunately was deleted on this past year’s ballots but has been corrected for next year’s ballots. President Gonos 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 handout for tomorrow’s annual owners meeting. Lyle asked everyone to note how Banyan Harbor maintenance fees compare to other Kauai timeshare properties on page 10.
- b. **Meeting dates 2015 and 2016** – Calendar in Board packets. Some discussion ensued. President Gonos asked if there was any further discussion and hearing none, the following motion was made:

**MOTION:** **To accept the meeting date calendar as presented.**

**MOVED BY:** Jill Briley, Second: Debby Coburn-Rice  
**VOTE:** Unanimous  
**RESULT:** **PASSED**

- c. **Other new business** – AOA President Meryl Ferrari thanked the Timeshare Board for working with and being supportive to the AOA needs and concerns during her term, which ends with tomorrows AOA Annual meeting. Deborah Rice asked for an update on Coco palms property. Lyle/ Tore updated the Board. Stephanie 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 (10:08 am)**

**MOVED BY:** Jill Briley, Second: Deborah Rice  
**VOTE:** Unanimous  
**RESULT:** **PASSED**

Board reconvened Into Regular Session at 10:25 am.

The Board reported that they approved the OLS Management contract for another three (3) years with the same terms.

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

**MOTION:** **To Adjourn meeting at 10:26 am**

**MOVED BY:** Jim Solberg, Second, Ed Madamba

**VOTE:** Unanimous.  
**RESULT:** **PASSED**