

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING
Thursday May 16, 2013 – 9:00am
Banyan Harbor Unit A4**

1. Roll Call

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

Board Members Present at Banyan Harbor

Jim Solberg, President

Stephanie Gonos, *Secretary* Ed Madamba, *Treasurer*

Via conference call: Sharon Baker, *Vice President*

Absent: Deborah Rice, *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

Meryl Ferrari (AOAO Board), Jill Briley (AOAO Board), Elizabeth Fernandez (AOAO Board), Linda Garcia (AOAO Board), Bonnie Solberg (Owner, H015-Z1), Penny Madamba (Owner I111-G2) and Ben Bregman (Timeshare Developer).

2. Proof of Notice

Lyle reported that notice was posted on 4/19/2013

3. Approval of Meeting Minutes

- a. **Board meeting minutes of February 22, 2013** – Jim asked if there were any changes or corrections to submitted minutes. Hearing none, the following motion was made:

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

- b. **Organizational meeting minutes of February 23, 2013** – Jim asked if there were any changes or corrections to submitted minutes. Hearing none, the following motion was made:

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

4. Management Reports

- a. **Board President's Report** – Jim thanked Jill Briley for including and hosting the Board at their home. Jim noticed Rudy working on Wi-Fi with so much diligence that it reminded him of how truly awesome our staff are and how blessed we are to have them overseeing our property. He also covered the guest comments which although a few are disparaging, even they say how awesome our staff are, especially Ginger.
- b. **Manager's Report** – Lyle once again acknowledged our great team of Banyan Harbor associates. He then recapped a few of the current projects (GFI breaker installation & selected units new furniture order). He then deferred to his submitted written report.

5. Financial Reports

- a. **March 2013 Financial** – Rick reviewed the financial results through March 2013. Revenues year-to-date were ahead budget by \$7,996. This is due to the new amenity fee and increased late fees collected. Payroll favorable and in line. Other operating expenses over budget due to additional bad debt accrual (\$8,000) to match foreclosure pace. Net earnings are favorable to budget by \$2,314 year to date. Staff continues to do an excellent job in managing controllable expenses. The foreclosures continue to have an impact on year-to-date financials.
- b. **Audit** – Rick reviewed completed year end audit for year ended December 31, 2012 and 2011. There were no irregularities or recommendations noted by the CPA firm. Discussion ensued and the following motion was made.

MOTION:	<i>To adopt the 2012 audit as presented.</i>
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MOVED BY: Sharon Baker, Second: Stephanie Gonos
VOTE: Unanimous
RESULT: PASSED

- c. **Reserve Study** – Rick reviewed the reserve study highlighting 2013 projects. Total capital expenditures in 2013 forecasted to be \$135,659 and we are forecasting to carry over a surplus at year end of \$15,369. 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.
- d. **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. Kern has been doing a very good job with collections. We currently have 127 weeks in the timeshare association foreclosed inventory. We also registered to allow owners to pay delinquent maintenance fees by Visa credit card, as long as they also pay the service fee percentage. We along with Ben Bregman continue to look for different ways to move more weeks.

6. Unfinished Business

- a. **RCI Comment Cards** – Overall our Banyan Harbor comments continue to be fairly favorable for our type property and are as good as or better than other RCI properties. Jim reminded everyone it can be discouraging to read a few reviews, however the one prevalent thread is how much guest appreciate our staff. Almost every negative is followed by a positive staff comment.
- b. **Update Photo Voltaic Installation** – Vendor has selected an investor and is in final steps towards funding. Project will include re-roofing 3 buildings (I, J & L) and installation of panels to service 2 of our common area electrical needs (Pool-Sewer plant and the Admin-Lobby building). Reroofing should take about 2 weeks. Schedules to be reviewed in the coming weeks.
- c. **Bulk Sale** – Tabled to Executive session.
- d. **Other** – Jim asked if there was any further new business, hearing none the Chair moved to new business.

7. New Business

- a. **Other new business** – Board discussed holding teleconference board meetings next year (May & September) and decided to see how this upcoming September teleconference Board meeting goes and then further discuss later in the year. Owner Bonnie Solberg commented how well our towels hold up to other properties she has visited (Marriott's and Hiltons). Jim 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 (9:40am)*

MOVED BY: Sharon Baker, Second: Stephanie Gonos
VOTE: Unanimous
RESULT: **PASSED**

Board reconvened Into Regular Session at 10:05 am.

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

MOTION: *To Adjourn meeting at 10:06 am*

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