

BANYAN HARBOR TIMESHARE ASSOCIATION

BOARD MEETING

Friday August 15, 2014 – 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*

Jim Solberg, *Director*

Via telephone: Jill Briley, Secretary

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), Doreen Ellen Evans (47-Q1), Bonnie Solberg (51-Z1), Warren Al Rollins (133-D1), Ben Bregman (timeshare developer), Linda Garcia (AOAO Board member).

2. Proof of Notice

Lyle reported that notice was posted on 7/14/2014

3. Approval of Meeting Minutes

- a. **Board meeting teleconference minutes of May 15, 2014** – Stephanie 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: Jim Solberg, Second: Deborah Rice

VOTE: Unanimous

RESULT: PASSED

4. Management Reports

- a. **Board President's Report** – Stephanie thanked the Board for their continued support and also thanked the staff for their continued efforts in Banyan Harbor improvements. She also appreciated the staffs emergency preparedness for the past hurricane scare. Stephanie also shared her thoughts on the new duvets and Wi-Fi which will be covered in more detail under capital reserves.

- b. **Manager's Report** – Lyle acknowledged our great team of Banyan Harbor associates. We currently rank at 94.1% in OLS Guest comment score (6th place) through July 2014. Rick mentioned Banyans competition is against Hollywood hotel properties. Lyle updated the Board on staff focus on improving our RCI guest comment scores and the mirror closet replacement project. Owner of 47-Q1 (Ellen) commented she visited last 2 years ago and is happy to see the new Duvets and how good everything looks and how super our staff is. Lyle then deferred to his submitted written report.

5. Financial Reports

- a. **June 2014 Financial** – Rick reviewed the financial results through June 2014. Revenues year-to-date are behind budget by \$6,087 mainly due to less late fee income and less amenity fee income. Payroll, payroll taxes, health insurance favorable to budget by \$13,276, and operating expenses were slightly over budget by \$944. Utilities were slightly under budget by \$1,885. The staff continues to do an excellent job in managing controllable expenses. Through June 30, 2014, Net Earnings is a surplus of \$29,539 (\$8,100 favorable to budget). Rick informed the Board of the increasing property tax assessed values which doubled our Property taxes. However in comparison, our property tax costs are now back to where it was a few years ago.
- b. **Reserve Study** – Rick reviewed the reserve study highlighting 2014 projects. We have or are in the process of placing orders based on recent annual inspection reports. As of 6/30/14, the remaining 2014 capital expenditures are forecasted to be \$83,372. President Gonos commented the duvets look nice however seems a little warm. Rick commented we purchase the thinnest inserts which are made of 100% polyester. Debbie commented they look fresh and clean and adds a nice look to our bedrooms. Stephanie asked what our plan is to improve Wi-Fi. Rick reviewed the main challenge is so many guest travel with Wi-Fi enabled devices (iPad, iPod, iPhone even Kindles etc.) which taxes our Wi-Fi system. The best solution is also the most expensive which is to pull new cat 5 cable. We will further investigate ways to improve our Wi-Fi system. 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 are seeing improvement and by reducing our timeshare inventory, we have continued to see a decrease in timeshare association (foreclosed) inventory. We have de-annexed to date units 5, 49 and now have 50 in escrow. Ben also sells on average 40-50 intervals per year.

6. Unfinished Business

- a. **RCI Comment Cards** – Overall our Banyan Harbor comments continue to be favorable for our type property. Lyle reported reviewing cards more often with staff has assisted with our comment scores. The new living room and bedroom furniture will also assist in bettering our unit scores. Furniture delivery is estimated to be September or October. Debbie suggested providing an RCI welcome gift to encourage turn in of guest comment cards.

- b. **Photo Voltaic Installation** – Rick updated the Board on project status. All buildings now have new roofs. Roof solar fans have also been installed to cool attic spaces. KIUC applications are being submitted for approval by a very small KIUC department. We anticipate solar being on line later this fall. Linda Garcia commented how pleasant the ADON solar staff was during her family’s recent timeshare visit.
- c. **Teleconference Meetings** – Much discussion ensued regarding sound clarity, physical property inspection, board interaction difficult without physically being here, cost savings etc. It was also suggested there be more brainstorming at meetings and a participatory agenda. General consensus no more than 1 teleconference meeting annually and will be up for further discussions as we look to setting next year’s meeting dates.
- d. **Other** – President Gonos asked if there was any further old business and hearing none moved on to new business.

7. **New Business**

- a. **Approval 2013 Audit** – Rick reviewed CPA Terry Wong’s audit which is a clean audit with no additional comments or notes. President Gonos asked if there was any further discussion and hearing none, the following motion was made:

MOTION: *To accept the 2013 Audit as presented*

MOVED BY: Jim Solberg, Second: Ed Madamba
VOTE: Unanimous
RESULT: PASSED

- b. **Allocations 2015 Budget** – Tore reviewed his annual allocations as submitted in Board packets. Jim asked if deannexing timeshare units had a big impact on budgets. Although it does have some impact, it is not significant enough to adversely affect the Timeshare Association. President Gonos asked if there was any further discussion and hearing none, the following motion was made:

MOTION: *To accept the 2015 Budget Allocations as presented*

MOVED BY: Debbie Rice, Second: Ed Madamba
VOTE: Unanimous
RESULT: PASSED

- c. **Other new business** –Rick mentioned Dale would be seeking signatures for the Timeshare Association tax returns. Stephanie asked if there was any further new business. Hearing none the Chair asked if there was any business for Executive Session. As there was none, the Chair entertained the following motion.

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

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

MOVED BY: Debbie Rice, Second, Jim Solberg
VOTE: Unanimous.
RESULT: PASSED