

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING - Teleconference
Thursday September 12, 2013 – 8:10am
Banyan Harbor Unit A4**

1. Roll Call

President Solberg called the Teleconference meeting to order at 8:10am.

Board Members Roll Call

Jim Solberg, President Sharon Baker, *Vice President*
Stephanie Gonos, *Secretary* Ed Madamba, *Treasurer*
Deborah Rice, *Director*

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

Ben Bregman (Timeshare Developer).

2. Proof of Notice

Lyle reported that notice was posted on 8/22/2013

3. Approval of Meeting Minutes

- a. **Board meeting minutes of May 16, 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: Deborah Rice
VOTE: Unanimous
RESULT: **PASSED**

4. Management Reports

- a. **Board President's Report** – Jim thanked everyone for their participation on this first teleconference Board meeting, which will also assist in reducing annual meeting expenses.
- 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/completion & installation of luggage racks in all master bedrooms). He then deferred to his submitted written report.

5. Financial Reports

- a. **July 2013 Financial** – Rick reviewed the financial results through July 31, 2013. Revenues year-to-date were ahead budget by \$12,234. This is due to the new amenity

fee and increased late fees collected. Payroll slightly unfavorable to budget due to increased housekeeping labor needs. Other operating expenses over budget due to additional bad debt accrual to match foreclosure pace. Utilities favorable to budget by \$3,134. Net earnings are favorable to budget by \$5,796 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. **Reserve Study** – Rick reviewed the reserve study highlighting 2013 projects. Total capital expenditures in 2013 forecasted to be \$171,069 and we are forecasting to carry over a surplus at year end of \$264. Question raised why bed bug cover expense and do we have a challenge, which Lyle said we do not have a challenge however Bed bug covers are a good preventive measure to decrease a potential challenge. 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.
- c. **Collection** – Rick reported and reviewed the recapped summary of outstanding maintenance fees. Year to date we continue to see 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. We currently have 105 weeks in the timeshare association foreclosed inventory. We will have an auction in October. 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 favorable for our type property and are as good as or better than other RCI properties. Employee mentions on the rise and nice to also see others such as Tamara mentioned. Discussion ensued regarding Gingers upcoming retirement in May 2014. Discussion on smoking areas and State smoking mandates of 20 feet away from buildings. State mandate does not apply to private property and smoking only allowed in designated smoking areas as they currently exist.
- b. **Update Photo Voltaic Installation** – Vendor moving ahead with a different investor. Currently 1 roof (J) is completed and I and L are to be started shortly. Phase 1 projected to be completed by November 2013. 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).
- c. **Bulk Sale** – Deannexation of D49 moving ahead and should be completed by November 1, 2013.
- d. **Other** – Jim asked if there was any further new business; discussion ensued regarding how much money would be saved due to this conference call. Hearing no further unfinished business the Chair moved to new business.

7. New Business

- a. **Meeting Schedule**- Discussion ensued should we hold 2 teleconference meetings in 2014 to assist with expenses. Another option discussed is to have Mays meeting as a conference call and move up September's meeting to August. Concern on moving September meeting to August is high summer occupancy. Pro is spreading out the meetings so they will not be so close to each other (currently September and November).

Board decided to hold off decision until the next Board meeting on property, November 20, 2013.

- b. **Allocations-** Tore presented allocations as included in the Board packets. Electrical allocations have been reduced due to installation of photo voltaic and electrical savings to administration building. After discussions the following motion was made.

MOTION: *To adopt the allocations as presented.*

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

- c. **Audit Quote 2013** – Rick presented audit quote as included in the Board packets. No increase in fee. After discussion, the following motion was made.

MOTION: *To accept the 2013 audit quote as presented.*

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

- d. **Other new business** –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 (8:40am)*

MOVED BY: Deborah Rice, Second: Sharon Baker
VOTE: Unanimous
RESULT: **PASSED**

Board reconvened Into Regular Session at 8:45 am. Reported OLS Management fees would remain fixed at the current expense level despite timeshare inventory reduction due to the sale of D49.

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

MOTION: *To Adjourn meeting at 8:45 am*

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