

**BANYAN HARBOR TIMESHARE ASSOCIATION
BOARD MEETING
Wednesday September 16, 2009 – 9:00am
Banyan Harbor Unit A4**

1. Roll Call

Vice President Sharon Baker called the meeting to order at 9:00am.

Board Members Present at Banyan Harbor

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

Conference call: Jim Solberg, *President*

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*

Others in Attendance

Ben Bregman (Timeshare Developer), Harry Baker, (H121-T1 & T2, AOA Board and timeshare owner) and Meryl Ferrari, (B23 AOA Director).

2. Proof of Notice

Lyle reported that notice was posted on 8/17/2009

3. Approval of Meeting Minutes

- a. **Board Meeting, May 29, 2009** Sharon asked if there were any changes or corrections to submitted minutes. Stephanie Gonos requested spelling correction to page 3 of word statues to statutes and pleased. Hearing no other changes the minutes were approved with correction.

MOTION:	<i>To adopt the May 29, 2009 Board of Directors minutes as distributed with correction..</i>
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MOVED BY: Bob Garcia, Second: Ed Madamba
VOTE: Unanimous
RESULT: **PASSED**

4. Management Reports

- a. **Board President's Report** – Sharon commented on the staff is doing a good job as evidence by the property appearance and RCI guest comments. Sharon also commented positively regarding the breakfast briefing by activities and appreciates the curved shower rods being installed.

- b. **Manager's Report** - Lyle thanked Sharon for her kind observations and comments. Lyle reported our staff is intact and we have not lost any staff members and everyone seems quite happy. replaced mattresses as needed, replacing 3 existing master bedroom TV's with 32" flat screens, replaced majority of unit lampshades, replaced dining light fixtures as needed, continuing replacement of curved shower rods, completed water heater replacement project, replaced 2 queen headboards, re stocked 10 Air Conditioners for replacements, recycled / replaced several air conditioners, replaced 3 microwave ovens, replaced a dishwasher, replaced black out drapes L142, replaced / repaired housekeeping laundry dryer capacitor and motor, Replaced J123 & L142 wooden louvers to Glass louvers, replaced / repaired sliding glass door rollers and screen door screens as needed, completed & replaced 6 rusted tubs and retiled (14" ceramic tile) shower enclosures, replaced 17 oven drip pans, replaced housekeeping golf cart, completed living room/ kitchen Baseboard project, **Future projects:** Continuing Installation of curved shower rods (30 completed to date), Implement new property management system (10/19/09), Begin master bedroom 32" HD Flat screen televisions (11/1/09 estimated start date), Begin installation of new dressers for master bedroom 32" flat screen TVs (11/1/09 estimated start date), begin interior unit door replacement project (12/1/09 estimated start date), Order & install queen mattresses (19 to be ordered. 11/12/09 estimated start date), Replace as needed AC's, refrigerators, microwaves, sofa beds, research solutions to noisy bathroom fan motors,

5. Financial Reports

- a. **Financial** – Rick reviewed financial results through July 31, 2009, revenues were slightly unfavorable to budget primarily due to less late fee income collected. To date expenses favorable to budget by \$10,931 with payroll up as projects are being completed and electricity is quite favorable to budget by \$36,073. Rick also reported financial include bad debt expenses of \$14,000. Bottom line net earnings are favorable to budget year to date by \$8,530.
- b. **Reserve Study** – Rick recapped 2009, 5 year and 20 year projects (as presented in board packets). No new large projects projected. Lyle reviewed living room furniture idea; currently units feel smaller and suggests having a recliner (in place of the love seat) to increase space along with a Green tropical print fabric (withstands wear and fading). Board reviewed and sample recliner (which has been tested in a Kauai timeshare resort and has lasted 3 years with high timeshare use) and approved the idea. From this point on we will start replacing living room sets with new look.
- c. **Collection** –Rick provided an overview of receivable status. We have experienced a slight increase in owner delinquencies due to the continued worsening economy. Ben Bregman (Timeshare Developer) recapped his Hawaii experience in other timeshare projects he is involved in. A lot of timeshare receivables range from 15%-30% delinquencies versus our 4.5%. Ben also committed in processing foreclosures quicker than previously. As part of his assistance to the association, his company pays for all lien filings etc. His costs to foreclose exceed \$1000 per week. Further discussion ensued.

6. Unfinished Business

- a. **RCI Comment Cards** – Sharon and the board commented there are much better than bad RCI comments. Discussion ensure regarding a few comments. Overall scores are very good.

- b. **Annual Maintenance Fee Billings** – Much discussion ensued with majority agreeing with the cost and cash merits of the program. It was suggested to ease into annuals by doing the first year at 4 quarterly billings, and then next year 2 billings and then the 3rd year do an Annual billing. Well received by board. Will be taken to timeshare association in February annual meeting.
- c. **Unfinished Business**- Discussions ensued regarding black out drape replacements and Sharon suggested safety bars in each bathrooms. Lyle to find supplier and install. Sharon asked for any other unfinished business. Hearing none, the meeting moved on to New Business.

7. New Business

- a. **Tennis Court repair** – Rick / Lyle provided report with project targeted for week beginning October 5, 2009. Court will be closed for an estimated 1 week, dependant on weather. Lyle will forward a memo to all property owners and guests. We also plan on installation of a basketball hoop for additional guest / owners use.
- b. **Allocations 2010** – Tore reported there were a few minor changes to the allocation due to the housekeeping laundry renovation. Tore reviewed the changes and further discussion ensued and the following motion was introduced:

MOTION: *To accept the proposed 2010 expense distribution allocations as presented.*

MOVED BY: Bob Garcia, Second, Stephanie Gonos
VOTE: Unanimous
RESULT: PASSED

- c. **2008 Audit report** – Rick reported the 2008 audit by Terry Wong CPA firm had no recommendations and the association has a clean audit rating. The following motion was introduced:

MOTION: *To accept the 2008 Association audit report as presented.*

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

- d. **Emailing Financials** – Rick reviewed the benefits of emailing financials and everyone agreed excluding Ed Madamba (does not have email) who will continue to receive by mail.
- e. **New Business**- Sharon asked if there is any other new business and hearing none the following motion was made.

MOTION: *To Move into Executive session. (10:00 am)*

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

Moved out of executive session at 10:15 pm.

8. **Adjournment-** Hearing no further business the meeting was adjourned at 10:17am. Sharon Baker moved; Second Bob Garcia.