

BANYAN HARBOR ASSOCIATION OF APARTMENT OWNERS

BOARD MEETING

Friday February 25, 2005 – 11:00am

Banyan Harbor – D-42

1. Roll Call

President Martin called the meeting to order at 11:05am

Board Members Present (Banyan Harbor)

Cathy Martin, *President*

Gus Enderlin, *Vice-President*

Linda Garcia, *Treasurer*

Elinor Weeks, *Secretary*

Charles Looney, *Director*

Ray Smith, *Director*

Alan Snodgrass, *Director*

Outrigger Lodging Services

Rick Ball, *Vice-President*, Outrigger Lodging Services

Chris A. Gampon, *General Manager*, Banyan Harbor

Stephanie Nakamatsu, *Accounting/HR*, Banyan Harbor

Tore Wistrom, *Consultant*, Outrigger Lodging Services

Others in attendance

Robert Silva, B-18

Marcie Gracey, C-29

Gayle Enderlin, J-114

Robert Garcia, G-78 (Timeshare Board)

2. Proof of Notice

Chris reported that notice for the meeting was posted on 01/11/2005

3. Approval of Meeting Minutes

- a. **Board Meeting, November 17, 2004** – several corrections were noted

MOTION:	<i>To approve the minutes as corrected</i>
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MOVED BY: Gus Enderlin, Second: Linda Garcia

VOTE: Unanimous

RESULT: PASSED

4. Management Reports

- a. **President's Report** – Cathy welcomed everyone to the meeting. Cathy reported that although there has been bad weather so far this year, several projects are underway on the property. Cathy added that Chris will be outlining progress on the various projects. Cathy added that the staff continues to do a great job.

- b. **Manager's Report** – Chris reported that the staff continues to work well together. Chris gave an update on the projects that took place during the last quarter of 2004 and those in progress now in 2005. Chris reported on the recent floods on the island (01/01/2005 and 02/02/2005). Chris noted that had it not been for the installation of the backup generator for the sewage treatment plant, it is likely that Banyan Harbor would have suffered the same fate as the county sewage treatment plant located above the Kauai Marriott. That system flooded after power had been down over an extended period. The result was a an overflow of raw sewage that found its way to Kalapaki Bay. We are lucky to have our generator system and to have avoided this kind of disaster and the penalties associated with it

Rick reviewed the 2005 insurance summary. Rick reported that Outrigger Lodging was able to maintain policy coverage as with prior years. He added that there will be approximately \$21,000 in savings in 2005 versus the 2004 premium.

5. Financial Reports

- a. **December 2004 Financial** – Rick reported on the 2004 year-end financial results. Revenues closed on-target with budget forecasts, Other operating expenses were favorable to budget and overall expenses ended on-target with budget forecasts. At year end, there was a net earning of just over \$1,257. Management recommends leaving the net earnings in the operational account.

MOTION:	<i>To leave the 2004 year-end net earning in the operational account.</i>
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MOVED BY: Alan Snodgrass, Second: Linda Garcia
VOTE: Unanimous
RESULT: PASSED

- b. **Reserve Study** – Rick reviewed the 2005 budgeted contribution to the reserve. Rick noted that with a 26-year-old property it is necessary to constantly maintain one area or another. Rick reviewed the projects scheduled for 2005. Rick also recapped the 20-year study. Alan asked about the results of managements investigation into possible installation of electronic locks. Rick reported that the cost of the installation was prohibitive. Rick recommended using conventional hardware. Chris added that when the locks are changed, we will install door handles instead of knobs.
- c. **Investment Summary** – Chris reported on the status of the AOAO's investments.

6. Unfinished Business

- a. **Property Signage / Monument Sign** – Chris reported on the status of the proposed monument sign. Chris has contacted the Mayor's office and he has a meeting scheduled for early March to review the proposal with other County officials. Chris will not participate in the meeting but will contact the Mayor's office to discuss their conclusions.
- b. **Building "L", Soil Testing / Repair Options** – Rick reported on the status of the project. At the time of the meeting there have been very few contractors interested in taking on the project. Management is trying to schedule meeting with contractors as soon as possible.
- c. **House Rules** – Chris reported on the procedures that will be followed during the annual meeting to finalize the revision of the house rules.
- d. **Other Unfinished Business** – No other unfinished business was discussed.

7. New Business

- a. **Annual Meeting Agenda** – This item was discussed out of order to accommodate an executive session. For the purpose of the minutes it is reported in the order of the meeting agenda.

The annual meeting agenda and meeting procedures were reviewed. Chris reported that this would be a good time to for the Board to discuss how it will apply the proxies it has been assigned.

The Board adjourned to executive session (see note below [item 7-D])

- b. **2006 Meeting Dates** – Rick reported that the Timeshare Board had made changes to their meeting schedule and asked the AOA Board to consider adjusting their 2005/2006 meeting dates to coincide with those made by the Timeshare Association.

MOTION: *To move the meeting scheduled for September 14, 2006 to September 21, 2006*

MOVED BY: Linda Garcia, Second: Ray Smith
VOTE: Unanimous
RESULT: **PASSED**

It was also suggested that the AOA Annual meeting for 2006 be held in the morning instead of the afternoon. Rick reported that the Timeshare Association was willing to change their meeting time to accommodate the AOA's preference.

MOTION: *To change the meeting time for the February 25, 2006 Annual Meeting from 1pm to 9am.*

MOVED BY: Charles Looney, Second: Elinor Weeks
VOTE: Unanimous
RESULT: **PASSED**

As a result of the votes the meeting dates will be scheduled as follows:

ASSOCIATION OF APARTMENT OWNERS			
MEETING DATE	MEETING DAY	MEETING TYPE	START TIME
2005			
May 19	Thursday	Board	11am
September 22	Thursday	Board	11am
November 16	Wednesday	Board	11am
2006			
February 24	Friday	Board	11AM
February 25	Saturday	ANNUAL	9AM
May 18	Thursday	Board	11AM
September 21	Thursday	Board	11AM
November 15	Wednesday	Board	11AM

- c. **Audit Proposal for 2004** – Rick reviewed the proposal submitted by Terry Wong to perform the 2004 financial audit.

MOTION: *To accept the audit proposal submitted by Terry Wong.*

MOVED BY: Elinor Weeks, Second: Ray Smith
VOTE: Unanimous
RESULT: PASSED

- d. **Executive Session (ADA)** – This item was discussed out of order in order to accommodate other business. For the purpose of the minutes it is reported in the order presented on the meeting agenda.

MOTION: *To adjourn to executive session to discuss the progress of ADA projects, the OLS management contract, and proxies.*

MOVED BY: Elinor Weeks, Second: Ray Smith
VOTE: Unanimous
RESULT: PASSED

Meeting Adjourned: 12:00PM
Meeting Reconvened: 2:20PM

- e. **Other New Business** – Other new business was discussed as follows:
 - i. **Maintenance Vehicle** – Chris reported that the truck that was being used to pick up material and supplies for projects is no longer available. Chris indicated that there is a need for a vehicle for both AOA and Timeshare requirements. Chris reported that he has priced a vehicle and is estimating its cost at \$15,000. Chris reported that earlier today, the Timeshare Board authorized the half (\$7,500) of the estimated amount. Chris asked that Board authorize the same amount to go toward the purchase of the vehicle.

MOTION: *To authorize funds to be used for the purchase of a maintenance vehicle. The amount not to exceed \$7,500.*

MOVED BY: Alan Snodgrass, Second: Linda Garcia
VOTE: Unanimous
RESULT: PASSED

- ii. **Management Contract** – Rick reported that the management contract will be up for renewal during May of this year. Rick noted that although the contract is set for automatic renewal, if the Board is in favor of the renewal it can officially accept the current terms at this meeting.

This item discussed in executive session.

Executive session report: The Board has approved the renewal of the management contract.

8. Adjournment

MOTION: *To adjourn the meeting*

MOVED BY: Ray Smith, Second: Elinor Weeks
VOTE: Unanimous
RESULT: PASSED

Meeting adjourned: 2:25PM