

## BANYAN HARBOR TIMESHARE ASSOCIATION

### BOARD OF DIRECTORS MEETING

Friday February 20, 2004

Banyan Harbor – Unit D-43

#### 1. ROLL CALL

President Solberg called the meeting to order at 9:03am

##### Board Members

Jim Solberg, President

Sharon Baker, Vice President

Bob Garcia, Treasurer

Ed Madamba, Secretary

Stephanie Gonos, Director

##### Outrigger Lodging Services

Rick Ball, Vice President, Outrigger Lodging Services

Chris A. Gampon, General Manager, Banyan Harbor

Stephanie Nakamatsu, Accounting, Banyan Harbor

Tore Wistrom, Consultant, Outrigger Lodging Services

##### Other Attendees

Shirley Akita, President, Banyan Harbor Association of Apartment Owners

Gus Enderlin, Treasurer, Banyan Harbor Association of Apartment Owners

Harry Baker, Secretary, Banyan Harbor Association of Apartment Owners

Ben Bregman, Timeshare Developer

#### 2. PROOF OF NOTICE

Chris reported that notice for the meeting was posted on 01/14/2004

#### 3. APPROVAL OF MINUTES

- a. Board Meeting, November 19, 2003 – Jim asked if there were any corrections or additions for the minutes. Hearing none, the minutes were accepted as distributed.

#### 4. MANAGEMENT REPORTS

- a. **President's Report** – Jim reported that visitor comments seem to be split. He noted the comments are important and added that items that can be repaired or remedied are addressed promptly. There are other issues that we cannot remedy such as location and weather. Jim added that the Resort of International Distinction Award was received. Jim said that based on his experience, Banyan Harbor is better maintained than other timeshares that he has stayed at.
- b. **Manager's Report** – Chris reported that although there was some consideration as to possibly foregoing the Resort of International Distinction designation, after reviewing the ramifications related to homeowner RCI-points, as well as new and resell prices, the best option was to accept the award.

Chris reviewed projects that are scheduled for 2004. They include: Improvements to the sewage treatment plant, a change in pool chlorination from chemical to a natural salt-based system, an asphalt overlay of the parking area (not including garages), and an access ramp to the Front Office. Chris is excited about the major improvements coming in 2004.

## 5. FINANCIAL REPORTS

- a. **December 2003 Financial** – Rick reviewed the 2003 year-end financial statement. 2003 was a very good year for the Timeshare Association. Year-to-date revenues were \$14,789 favorable to budget; payroll expenses were \$30,000 favorable to budget forecasts; and other operating expenses were favorable by \$5,658. Utility expenses did exceed budget. The utility expenses are to some degree uncontrollable but we are looking for ways to limit use where ever possible. As a result of the operational savings, the Association has a \$43,490 net earning for the year. Rick commended Chris and the staff for keeping expenses down throughout the year.

Ben Bregman reported that with only 37 units on the program, a \$43,000 savings is very impressive. Ben commended Chris and the staff for achieving such great results.

Rick reported that the Board will need to decide on how to apply the net income. It is management's recommendation to move the funds into the Reserve Account.

<b>MOTION:</b>	<b><i>To move the net earnings of \$43,490 into the FF&amp;E Reserve Account.</i></b>
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<b>MOVED BY:</b>	Bob Garcia, Second: Sharon Baker
<b>VOTE:</b>	Unanimous
<b>RESULT:</b>	<b><i>PASSED</i></b>

- b. **Collection** – Chris reviewed the reports supplied to each Board member. Chris reported that the collection process is working well. Ben reported that Stacey in his office and Kearn at the Banyan Harbor are working together to keep the collection process running efficiently.
- c. **Sale of T.S. Weeks** – Ben reported that overall sales are phenomenal. He now has 3 sales offices working on Banyan Harbor inventory. Ben's operation has been named as one of the 50 top companies in Hawaii by Pacific Business News.
- d. **Reserve Study** – Rick reviewed the projects scheduled for 2004. A 5-year snapshot and complete 20-year study was provided to each Board member.

## 6. UNFINISHED BUSINESS

- a. **RCI Comment Cards** – Bob noted that he is seeing more reports about discrepancies with Housekeeping. Chris reported that issues are being addressed and if necessary changes made to our operating procedures.
- b. **Timers on A/C units** – Chris outlined the current use of air-conditioner timers. Chris also reported on the tracking he is having done in regard to electrical use. Chris indicated that the timers are being changed from 4 to 6-hour units. Chris reported that several Board members had advised him that timeshare members were not happy with the 4-hour limit.
- c. **Converting Units to Timeshare** – Ben reported that he will be taking steps to bring the drapery in the units he has converted to meet the standard set in the original timeshared units. Rick reported that along with Chris and Tore, he inspected timeshare units and is working on a standardization document. Tore noted that this process will take some time due to the detail of the current design.
- d. **Other Unfinished Business** – No other unfinished business was discussed.

## 7. NEW BUSINESS

- a. **Annual Meeting** – Chris reported that based on proxies received, there is a quorum for the Annual Meeting. Points of order and topics on the meeting agenda were discussed.
- b. **Audit 2003, Proposal** – Chris reported that a bid to complete the Association's 2003 annual audit was obtained from Terry Wong. The proposed price for the audit is \$2,200.

**MOTION:** *To accept the proposal from Terry Wong to complete the 2003 annual audit.*

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

- c. **Meeting Dates 2005** – Proposed meeting dates were discussed. Jim asked that approval of the dates be delayed for approximately 10-days until he is able to sort his schedule. In order to announce the 2005 annual meeting date at the 2004 annual meeting it was suggest that the Board set that date during this meeting.

**MOTION:** *To adopt the dates of February 25, 2005 for the first Board meeting of the year and February 26, 2005 as the date of the 2005 Annual Timeshare Owner's Meeting.*

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

- d. **Other New Business** – Other new business was discussed as follows:
  - i. **Travel Reimbursement** – Jim asked that the Board be provided with the current reimbursement guideline. Chris provided the guideline to each member. The guideline is as follows:

Board of Directors is reimbursed for travel expenses incurred to attend the four (4) Board meetings and one (1) annual meeting. One Board meeting and the Annual meeting are held on consecutive days during February of each year, the Annual meeting to be held on a Saturday. Items that will be reimbursed are:

    - One (1) roundtrip airfare (coach class)
    - Lodging – up to three (3) nights maximum
    - Meals - \$20 per day, up to three (3) days maximum
    - Car rental - \$20 per day, up to three (3) days maximum
  - ii. **Termite Inspections** – The Board reviewed the termite inspection report and authorized work to be completed in the affected units.

## 8. ADJOURNMENT

Hearing no further business, the meeting was adjourned at: 10:25 am