

**La Casa del Sol Council of Co-Owners  
Board of Directors Meeting  
March 21, 2017  
18757 S. Highway 377, Cresson, TX**

**Call to Order:**

President Jim Vannatta thanked the Board members for placing their faith in him by electing him President for this year and called the meeting to order at 1:01 p.m. A quorum was present including all Board members: Vice President Steve Gandy, Treasurer Gaylen Cox, Secretary Candy Lamel, and Directors Jerry Cigainero, Ben Harbour and Bud Lowack. Assistant Treasurer Dennis York was also in attendance.

**Approval of Minutes from January 16, 2017**

Secretary Candy Lamel presented the minutes from the January 16<sup>th</sup> board Meeting and these were approved unanimously for filing and distribution (motion made by Gaylen Cox, seconded by Ben Harbour). Approved minutes are emailed by the secretary to the Accounting and Resort offices for filing, and to Steve Gandy to post them to the website.

For the purposes of documentation, Secretary Candy Lamel read into this meeting's minutes the following actions, each approved by an electronic vote after the last meeting:

- On January 20<sup>th</sup> then President Vicki Vannatta called for an electronic vote to authorize Steve Gandy to proceed with the purchase of the new security camera system discussed in the last meeting. The motion was seconded by Candy Lamel, and as of January 24<sup>th</sup> all had voted by email to approve.
- On February 21<sup>st</sup>, then President Vicki Vannatta requested an electronic vote to authorize Steve Gandy to send out an email blast to owners reminding them of the Annual Meeting, asking them to bring guests who might want to own, and offering to wave the transfer fee if they purchase a new deeded week at the meeting. After discussion by email, the motion passed unanimously.

**Treasurer's Report:**

Treasurer Gaylen Cox presented the year-to-date financial performance through February 28<sup>th</sup> and a discussion ensued.

In Summary, Year-to-Date through February 28, 2017:

Total Revenues were \$216.8 thousand, \$4.0 thousand more than Budget and

Expenses were \$118.2 thousand, about \$3.4 thousand less than Budget, so:

Net Income was \$98.6 thousand, which was \$7.4 thousand better than Budget.

The Revenue favorability reflects earlier calendarization of annual fee payments than in 2016, (which is how the budget is calendarized), reflection of sales of 2 Units including red season premiums, as well as season upgrade fees for deeded week trades and income for two units used for the Winter Texan program which were not included in the Budget. In Spending, Staff expenses were below Budget due to under staffing, and this favorability may flow to the full year, but savings will not be realized in future months as we are now fully staffed. Savings in Furniture and appliances, HVAC expenses and Interior building Maintenance are expected to be spent in later months. Utilities expenses have been below Budget also, as the result of cost-cutting efforts at the resort to use one building at a time in the slow winter months and, hopefully, these savings will carry forward. The favorable-to-Budget spending more than offset the expense of repairing and re-painting the roof, so funding did not have to be expensed from the reserves on the Balance Sheet to accomplish that work, and our overall Cash position remains strong. Candy Lamel moved to accept the Financial Report, Jerry Cigainero seconded, and the motion passed unanimously.

Discussion regarding Foreclosures:

When an owner makes no payment on their account for twelve (12) months or more, our policy is to foreclose on their deed. Assistant Treasurer Dennis York asked the board to approve writing off the bad debt at that point, rather setting up those funds in the allowance for bad debts on the Balance Sheet. This action will serve to simplify the Balance Sheet reporting. The Motion to adopt this Direct Write-off Action for bad debts was made by Steve Gandy, seconded by Candy Lamel and approved by all.

Dennis York also reported about how we handle Time Share Scammers who take advantage of owners who think they get out of their deed, but it remains in their names. He works with the owner and also with the purchasing company, to recover the deed along with at least the fees that the owner would have paid to deed back the week to La Casa del Sol.

Late Payment Policy Discussion:

We currently have seventeen (17) owners who did not pay in January, and raising the late fee (currently \$10 per month) was discussed, to incite them to pay more promptly. Some don't even pay until they make their reservations and then pay all the late fees at that time. This item was tabled for discussion at the next meeting after determining how many owners actually pay late and how to handle it going forward.

## **Resort Report**

Vice President Steve Gandy reported that, with the exception of the Spring Break week, resort occupancy has been low. No major issues were reported during Spring Break. Housekeeping has been a challenge lately as Shelly has had difficulty finding enough reliable housekeepers. Sarah has taken a position with another company and will not be returning after her maternity leave. Linda Cox has been hired to replace Sarah full time.

Completed Projects include installation of the new video security system, metal work and repainting of the roof, new signage and 3 new parking stops installed in the parking lot, and the pool area project has been completed. That project included the following: missing tiles were replaced, grout was cleaned and the pool was re-grouted where needed, the fence, hot tub and hot tub steps were re-painted, new signage was installed and the deck was repainted.

Upcoming/Ongoing Projects include: researching and planning to acquire a "sail" type shade system for the grill area, as members at the Annual Owners' Meeting asked about this; various wood facades and trim around the complex, mostly involving the stairwells, will be repaired; and the deep cleaning of units continues, with five (5) units remaining.

Maintenance and Repair Issues include the following: a new stove was installed in unit 202; the dryer in the office was repaired by maintenance; the exterior electrical outlets outside unit 107 were repaired; and the landscaping, which suffered from the harsh winter, will be re-evaluated for sprucing up during the Spring.

A motion to accept the Resort Report was made by Gaylen Cox, seconded by Ben Harbour, and the motion passed unanimously.

## **Other Business:**

### **Signature Cards Update**

Following the election, it was noted that the signature cards need to be updated so a motion was asked for by Dennis and Gaylen, stating that the Board approve the President, Vice President, Treasurer and Assistant Treasurer have signature authorization for LCDS. The motion was made by Candy Lamel, seconded by Gaylen Cox, and approved unanimously.

### **Development of a Marketing Strategy**

Jim Vannatta stated that marketing more deeded weeks to new owners is a high priority, and asked Bud Lowack if he would put his sales and marketing background to use to come up with ideas of how to move more units this year. Bud accepted this task and will work also with Jerry Cigainero to come up with some ideas to propose to the Board at the next meeting. Gaylen Cox asked Bud also to consider being the contact person for the office personnel to refer potential

owners to when they call the office with questions so he can explain the sales details, and Bud agreed to take on that responsibility.

**Clarification of Revenue items reported**

Dennis York confirmed that for financial reporting, Condo Income includes IP fees, owner bonus and season or bedroom upgrade fees. Other Income includes Red week bonus fees of \$500 each, Deed transfer fees, deed-back fees and season upgrade fees.

**Action Item Summary:**

- Dennis and Gaylen will report at the next meeting ideas about increasing late fees
- Dennis will get insurance information to Gaylen to present as education to the Board
- Bud and Jerry will report back ideas about marketing units for sale

Previous Action Items pertained to the Annual Owners' Meeting and were completed.

**Who's at the Resort when?**

Jim Vannatta	March 24	for 2 weeks and plans to attend the Padre Island homeowner's association meeting while there.
Gaylen Cox	March 31	for 2 weeks
Jerry Cigainero	April 20	for 1 week
Candy Lamel	May 12	for 2 weeks

**Adjournment**

This meeting was adjourned at 2:20 p.m. and the next Board Meeting was scheduled for Monday, May 8<sup>th</sup> at 1:00 p.m.

Submitted by Secretary Candy Lamel  
Approved for filing and distribution on May 8, 2017