

**La Casa del Sol Council of Co-Owners
Board of Directors Meeting
December 16, 2014**

Approved Minutes

Board Meeting Agenda:

Call to Order:

President Vicki Vannatta called the meeting to order at 1:00 p.m. A quorum was present and included Jerry Cigainero, Steve Gandy, Candy Lamel and Dennis York. Ben Harbour and Ray Leidig were absent, but had assigned their proxies for voting to Steve Gandy and Dennis York, respectively.

Approval of Minutes from Tuesday, October 21, 2014:

Secretary Candy Lamel reported that the regular Board Meeting minutes were approved previously, by email, so that they could be posted on the website, but the minutes from the Executive Session had not yet been approved. A motion was made by Steve Gandy to approve those, seconded by Jerry Cigainero, and the minutes were accepted with no changes.

Presentation of the Financial Report and Reservation Office information:

Treasurer Dennis York presented the Financial Report for year-to-date performance through November, 2014. Steve Gandy moved to accept the report, the motion was seconded by Jerry Cigainero and the financial report was accepted for filing. In summary, the year-to-date financial performance is about \$145 thousand off budget, the bulk of which is due to Income at \$139 thousand lower than planned, because of fewer paying owners than anticipated. It was agreed by all that we have a revenue problem, not a spending problem.

Dennis reported that we have taken back 25 unit/weeks this year. Of those, 8 were current, paying owners; the balance resulted from letters sent to owners in arrears, explaining how to avoid foreclosure. He and the ladies in the office are handling the take-back of deeds in the manner that was voted on previously, and the Board approved his going forward with this effort as he has been, knowing how important it is for LCDS to get back deeds from owners unable or unwilling to pay the maintenance fees, so we can transfer those deeds to new owners who will pay their fees.

Our budget for next year, to be balanced, assumes we will sell (transfer) 39 unit/weeks. We moved only 8 in 2014, and all of those by April; however, there was no real marketing effort put forth this year. There is a large sign now in front of the resort so people can call to find out about units available, and Steve is also advertising in the Island Moon, since it is distributed for

free to everyone on the island, so vacationers can see our ad there. We have received some calls from interested people, but they will probably wait until after the first of the year, so they don't pay 2014 dues without time to schedule a vacation, and then owe 2015 dues soon after. The hope is that we will see some of those sales (transfers) happen soon after the beginning of the new year.

Report on Management of the Resort:

Vice President Steve Gandy reported that overall, the resort operations continue to run smoothly. The staff work well together and there are no apparent personality conflicts. Finding and keeping reliable housekeepers seems to be the only personnel issue, and two new housekeepers have been hired. The only other personnel change made was to the scheduling of the maintenance men: as recommended by Abram, Robert Haskins will be on duty now Monday through Friday, with Steven Butrum working Wednesday through Sunday. The landscaping has shown marked improvement with regular trimming, watering and feeding.

Feedback received from owners and guests over the last two months have improved dramatically, particularly relating to the staff and unit cleanliness. The primary source of negative feedback continues to be related to overall unit condition, and we have also received complaints from guests related to other guests and their behavior.

The new security surveillance system is in place and working well, with 16 cameras recording all areas of the complex. The Wi-Fi bandwidth was increased from 5mb to 50mb by Time Warner in November and, since the upgrade, no complaints have been received from guests relating to Wi-Fi reception. All phones have been removed from the units and the two primary lines to the office were ported to Time Warner at a substantial monthly savings. A phone has been installed outside the office to allow for 911 emergency calls, if necessary, enclosed in a box with a Plexiglas window, to be broken in case of emergency only. The three sofa bed mechanisms ordered in September have been received and installed, and the pool pump was rebuilt at a cost of only \$250 for parts and new sand for the filter because Leslie's Pool supply performed the labor for free since we agreed to buy the parts. No other major repairs or AC or appliance failures have come up since our last meeting.

Ongoing projects include the deep cleaning of all units as occupancy is starting to decrease for the winter months, and renovations started on December 15th on the first of 4 upstairs units (212, 202, 209 & 205) to be renovated on a smaller scale than units 104 and 110. These mini-renovations should each take no more than 2 to 3 weeks to complete, since we are not replacing flooring, cabinets, counters, or kitchen and bathroom fixtures.

Other Business:

Office Facilities - Dennis York reported that the building currently housing our office (and his business also) has been sold and HEB will be putting in a large store there at the Weatherford location, so the LCDS Reservations and Accounting Office (and his business also) will need to move to other facilities in 2015. Dennis located another building, south on HWY 377, that can hold his business and the LCDS office, with a bit more space than we currently have, and more storage space as well for storing old documents. Prior to proposing a move to that facility, Dennis took both ladies from the LCDS Reservations and Accounting Office to tour that location, and asked them to let Vicki Vannatta know honestly how they would feel about moving there. Two offices, with an adjoining door and a separate entrance from the outside also, would be available for Andy Moore and Charlene Glaub at that location. Dennis plans to move his business offices to that location by no later than the first of April, 2015, and he asked the Board to consider if we would like to move the LCDS Office there as well.

Dennis will not be a Board Member after the February election; however, he has offered to support the Board and continue to help the ladies with LCDS business if we choose to move the Reservations and Accounting office to that location when he moves his business there. The rent would be somewhat higher than it is in the current building, but LCDS would not be charged additionally for utilities, and his on-going support will be free of charge. Dennis left the room to allow the other Board members time to discuss his offer and other options.

Vicki stated that both of the ladies reported to her that they are willing to move to the building Dennis has identified, and both are very happy working with him. After a lengthy discussion about various options (such as potentially outsourcing reservations with a call center, or relocating reservations to the coast, or the ability or willingness of others to pick up the accounting function, or just searching for alternate accommodations), all agreed that, in the best interest of the Owners and of our employees, we are willing to move the LCDS office to the location on HWY 377 South, where Dennis is also moving his business offices. Steve Gandy made a motion to accept Dennis's proposal to move the LCDS Reservations and Accounting Office with him to the proposed location, subject to Vicki Vannatta's tour of that facility. The motion was seconded by Candy Lamel and accepted unanimously. Dennis was invited back into the room, and told of the decision and he and Vicki will tour the new facility probably early in the month of January, and he expects the move to take place during the month of March.

January Newsletter – Secretary Candy Lamel reported that she will pull together the Winter Newsletter during the first full week of January, as the deadline for applicants to submit their letters for publication is the first Saturday, January 3, 2015, as was published in the November issue. Needed for this Newsletter are the President's Message from Vicki Vannatta and any

more letters from applicants interested in running for election to a position on the Board of Directors. So far, only one owner (Gaylen Cox) had submitted a letter for publication and there are 3 positions that need to be filled in this election. The Newsletter (with a Proxy insert) should be received in homes about 30 days prior to when the Proxy has to be mailed back prior to the Owners' Meeting.

Adjournment

The next Board Meeting was scheduled for Tuesday, February 17, 2015, so that we may have the Accountant's Audit review available for that meeting. This Board meeting was adjourned at 3:11 p.m. and there was no Executive Session called.

Submitted by Secretary Candy Lamel
Approved January 20, 2014