

**La Casa del Sol Council of Co-Owners
Board of Directors Meeting
June 9, 2015**

Board Meeting Agenda:

Call to Order:

President Vicki Vannatta called the meeting to order at 1:30 p.m. A quorum was present including Jerry Cigainero, Gaylen Cox, Steve Gandy, Ray Leidig and Dennis York. Candy Lamel had not yet arrived and Ben Harbour was absent for this meeting. Mr. Jim Vannatta also attended this meeting.

Presentation of the Financial Report and Reservation Office information:

Assistant Treasurer Dennis York presented the year-to-date financial performance as of May 30, 2015 and answered questions regarding items of interest. [Secretary Candy Lamel joined the meeting during this agenda item.] On the Balance Sheet, Accounts Receivable at this point are lower than in 2014, primarily due to processing foreclosures of deeds which had outstanding balances due last year, combined with some owners paying their 2015 maintenance fees earlier than they did last year. On the Statement of Operations, year-to-date revenues have outpaced spending for a net income of \$13.6 thousand through May. This performance was \$9.0 thousand better than Budget and an improvement over 2014 by \$51.5 thousand, due primarily to higher revenues partially offset by higher spending primarily in maintenance and supplies categories.

A motion to accept the financial report was made by Ray Leidig, seconded by Steve Gandy, and accepted by all, and Treasurer Gaylen Cox reported that she plans to meet with Andy Moore to become more involved with the financial reporting in the future.

Approval of Minutes from March 10, 2015

Secretary Candy Lamel had distributed unapproved minutes by email, and asked the Board for clarification of the last motion acted upon at that meeting. After discussion, an amendment was proposed, and the minutes were approved as amended. Approved minutes will be emailed to all Board Members, to the Resort Office, to the Reservations Office for filing, and Steve Gandy will post them to the website for all owners to read.

Report on Management of the Resort:

Steve Gandy, VP in charge of Resort Operations, reported that the resort is completely booked for the months of June and July. On March 12th, Abram Garcia was let go, in accordance with Board direction at the last meeting. Dennis York and Gaylen Cox were there in person and Steve attended by skype for the dismissal. Housekeeping is running smoothly and with the termination of Robert Haskins, Shelly Franklyn has been made Resort Manager effective Friday, May 8, 2015.

A major storm with 60+ mile-per-hour winds took down the parking lot shower on April 15th and that has been repaired. Efforts to get estimates for repairing gutter and downspout damage, also caused by that storm, are ongoing.

Shelly has been able to find and keep a few new housekeepers recently and she and Debra Perez do some of the housekeeping themselves, especially when guests check out early. Brianna has returned to housekeeping duties and Debra is now doing laundry and works also in the office Wednesday through Sunday.

After Robert Haskins was terminated, Shelly and Debra also stepped in to help Adrian Zamora with maintenance items that they were able to handle. Member/guest feedback has been mostly favorable and housekeeping issues have improved. Most complaints now have to do with hard mattresses on the beds, being addressed with making more "egg crate" mattress cushions available for those beds that do not yet have them.

The team management idea considered after Abram was let go did not work out and Robert Haskins was terminated on April 8th for poor job performance and habitual absence, among other things. Shelly is now managing the resort and all resort personnel report to her directly, including maintenance. Jason Masur was hired as a second maintenance man joining Adrian on May 27th so now we have at least one maintenance man on property again seven days a week.

The two new grills were installed so all three grills are working now, but the grill area still needs work. Landscaping done in April, mostly by Carrie Gandy and Gaylen Cox, has received positive feedback. A garage sale held to move old bar stools, lamps and other items raised about \$300 and that money helped to fund plants and supplies for the landscaping efforts.

Adrian will attend a 2 day training session in San Antonio to be certified in public pool service. Even though ours is a private pool, the training will enable him to know best everything needed to keep the pool and equipment in the best working order.

A fence with gate will be put up on the south side of the building (by unit 107) to close off access to the side yard, where supplies and equipment are stored. Also, the fence on the north side of the property will be extended down to, or beyond, the sea wall, so that no one will be able to jump around the fence to gain easy access to the property from the adjacent empty lot.

Water damage and leaking in the area of the vent hood in unit 108 has been apparently caused by obstruction of the condensation drain from the A/C unit on top of that unit so efforts will be made to clean out the condensation drains on a more regular basis in the future.

No new projects are planned for the summer, but Shelly takes pride in the property and will address items needing attention as they come up.

On-going Discussion – How to move more units in 2015:

Candy Lamel commended Steve on the information leaflet in the office and suggested moving the framed information in the units to cover the plate left where the phone used to be in each unit, since it is a better height for reading and is better lit by the dining area light fixture. She also reported that the Coffee & Doughnuts events were not well attended during the two weeks that she was at the resort in May. There was agreement that Wednesday is too late in the week to get people not already familiar with the resort to attend. Also it would be helpful for a set of talking points to be provided for Shelly and/or any board member on property at those events to use to discuss with guests information about deed availability and transfers, as well as information about items of interest on the Island and in the Corpus Christi area.

Following a discussion about the possibility of pursuing a mass advertising effort, Candy agreed to speak with the printer/mass mailer we use for newsletters (LaRue Johnson) to inquire about the cost of a postcard mailing to the greater DFW area.

Dennis York suggested an idea of offering a 10-year vacation membership that would revert back to La Casa if not renewed for potential new owners who might be uncomfortable with a permanent commitment. Steve Gandy asked that since we were able to rent to “snow birds” in past years, why don’t we rent out units now? Dennis explained that the snowbird rentals were limited to only a certain time in the slow winter months, but he will ask the CPA about whether or not renting units would impact our tax free status. He also will ask our legal counsel if we can transfer a unit week for a finite time with an offer to renew at the end. It was agreed that if we do that we need to be sure we keep our permanent owners happy by making the costs much higher for any short-term vacation deed owners.

Other Business:

Ray Leidig asked for clarification of the \$10 charge for each unit when payments are spread out. The explanation was that the fees are per unit, per payment made on each unit, as they are convenience fees charged for not having to pay the full maintenance fee in January of the year, and have nothing to do with credit card fees.

Andy Moore joined the meeting asking that the statement on the invoice regarding the requirements for space booking units with RCI in future years be added to the Rules and

Regulations. The motion to accept was made by Ray Leidig, seconded by Steve Gandy and approved by all, and Steve agreed to add it to the Rules and Regulations posted on the website.

Dennis asked for Board direction regarding a one-bedroom owner who wants to upgrade to a two-bedroom, but wants to keep the IP weeks associated with his one-bedroom unit in spite of the decision in March that no IP weeks will be transferred with future 2 bedroom unit transfers. After a brief discussion the item was tabled at this time.

Jerry Cigainero raised an issue of night security, based on his recent experience at the resort where a couple entered the property after 11 p.m. and used the hot tub, and were not even staying at the resort. A discussion about locking the pool gate again for the summer ensued and Steve Gandy agreed to check on the availability and cost of having a security company representative come to lock the pool gate at 11 p.m. each night in the summer so a decision about that can be made at a future time.

Adjournment

President Vicki Vannatta scheduled the next Board Meeting to be held Tuesday, August 11th at this location again, beginning at 1:00 p.m. This meeting was adjourned at 3:30 p.m. and an Executive Session followed.

Submitted by Secretary Candy Lamel
Approved as amended by the Board on August 11, 2015