

**PACIFIC SHORES OWNER ENTERPRISES, LTD  
REGULAR MEETING  
BOARD OF DIRECTORS**

**SATURDAY, JUNE 20, 2015  
8:30 a.m. (PDT)  
Pacific Shores Resort & Spa  
Garden Room  
Nanoose Bay, BC**

**MINUTES**

**I. CALL TO ORDER / WELCOME AND INTRODUCTIONS**

Chair Kate Britton called the meeting to order at 8:30 a.m. (PDT) and established that there was a quorum. Ms. Britton thanked the board members and guests for arriving early. Ms. Britton welcomed Paul Dodds, as Resort Manager, and thanked Joanne Hallert for coming up from California to attend the meeting.

Board Members in attendance were:

**Board of Directors**

Kate Britton	Chair
Stuart Allen	Vice Chair
Johann “Harry” Felsing	Secretary/Co-Director of Finance
Dave Hillmer	Co-Director of Finance
Leonard Aylward	Director
Doug Alexander	Director
Ken Chew	Director
Claus Flemming	Director

**Trading Places International Management – Canada, Inc. (TPIMC)**

Joanne Hallert	Director of Resort Operations
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**Resort Staff**

Paul Dodds	Resort Manager
Nikii Morrison	Executive Assistant

**II. APPROVAL OF AGENDA**

*A motion was made by Leonard Aylward and seconded by Ken Chew to approve the agenda with the following additions:*

***Under V. New Business***

*E. Memorial Plaques*

*F. B unit Dishes and Amenities*

*The motion was approved unanimously.*

### III. APPROVAL OF MINUTES

#### A. Minutes of April 18, 2015 – Regular Meeting

*A motion was made by Len Aylward and seconded by Dave Hillmer to accept the minutes of April 18, 2015 – Regular Meeting as submitted with following changes:*

***Under section I.***

*Include Chris McGill of Interval International as a Guest (Telephonically)*

***Section III A.***

*Change “to approve the agenda” to “the minutes of January 17, 2015 – Regular Meeting”*

*The motion was approved unanimously.*

### IV. REPORTS

#### A. Manager’s Report

The Manager’s report was made available for the board of directors to review.

The following items were noted in the report:

- Store has closed and has been transformed into a common area with chairs, tables, vending options, books and games
- Pool area has been cleaned and painted, as well as repairs completed in the change rooms
- To access the pool and gym, you must sign in at the front desk and a key will be provided to access these areas.
- Re-establishing the in house laundry
- Placed Keuerigs in the PSOE B units
- Spa has introduced a new make up line
- Photographer has leased space and offers studio or freelance work, as well as postcards, signage and pictures for sale
- Stand up paddle board and kayak rentals are on site
- Working on re-activating the PSOE Vingcard system
- Replaced flooring in 4 units in the 500 block

#### B. Financial

Dave Hillmer advised that he, Kate Britton, Paul Dodds, Nikii Morrison, Joanne Hallert & Gail Turner reviewed the May 31, 2015 financials earlier this week. They included year end forecasting and there are some adjustments that will be made as well some clarification on some items to the financial directors. One such item is looking at the HOA rentals for the balance of the year to determine the best estimate of what the year end expected rental will be. Dave Hillmer stated that he expected management to ensure that maintenance wages were in line by year end.

### **Through April 2015**

*A motion was made by Len Aylward and seconded by Harry Felsing to receive the April 2015 financials as presented.*

*The motion was unanimously approved.*

### **Delinquency Report – February 2015**

The delinquency report was reviewed by the board of directors as presented for both 2014 and 2015 to compare. 2015 is currently sitting at 18.95%. Although we are hoping that this will drop by year end, it is a percentage that is recognized as workable.

Currently, all those owners who are designated in arrears are placed up for rent and the rental income is recognized for the HOA.

### **Collections Report**

The collections report was presented to the board of directors for review.

Currently, the HOA has collected 56.95% on those contracts placed for collection on 5/16/2014. The board has approved management to send the 2015 arrears to collections through Continental Central Credit.

### **Deed Backs**

The deed back report was presented to the board of directors for their review.

As of May 29, 2015, the HOA has 22 new completed deed backs and 8 pending transfer.

In order for a contract to be deeded back, it must meet specific criteria that have been provided to management by the board of directors before any contract goes to the board for deed back approval. This is not easy to approve and the board has added a third director, Claus Flemming, to assist with the process.

### **Uncollectible**

The uncollectible report was presented to the board of directors for their review.

Currently, there are 206 uncollectable contracts. This means that the collection agency has not been able to collect any funds from these owners.

### **Small Claims Court Files Report**

The updated Small Claims Court Files Report was provided to the board members for their review.

Doug Alexander has a more up to date report that includes updated interest calculations which he will forward to Joanne Hallert by Monday, June 22, 2015.

### **HOA Owned Inventory**

The updated HOA Owned Inventory was provided to the board members for their review.

HOA currently owns 62 annuals, 29 even year contracts and 26 odd year contracts. When an even or odd year contract is owned, it means you own the unit/week in only the even or odd years.

### **C. Trading Places International Management - Canada**

#### **Comment Cards –RCI, TPI & TripAdvisor**

The comment cards for RCI, TPI & TripAdvisor were presented to the board of directors for their review.

The comment cards that Trading Places collects are responded to by the front desk manager. RCI comment cards are reviewed by the resort, but they are not responded to as they are not designed that way. The comments found on TripAdvisor are currently responded to by the marketing department; however, this is in the process of being changed so that the resort manager can respond directly to each guest. Comments that come through Facebook are responded to by marketing, however, if there is something that the resort needs to address, they are forwarded to the resort to respond to.

#### **Occupancy Report**

The occupancy report was provided to the board of directors for their review. The board noted that occupancy has gone up overall.

#### **Rental Report**

The rental report was provided to the board of directors for their review.

For the last 31 days prior to June 20, 2015 (information provided through Expedia), Pacific Shores Resort & Spa ranked #2 out of 7.

For January through March 2015, the average daily rate was \$95.33 with the occupancy average at 62.2%.

The rates that appear on the OTAs (Online Travel Agencies like Expedia and booking.com) are generated based on supply and demand and are adjusted as needed.

## **V. NEW BUSINESS**

### **A. AGM Planning**

The morning session of the AGM will not include a discussion on Financials. The board may look at starting the morning session a little later in the morning to allow owners travelling from a distance to participate.

The board has stepped back from the arrangement for the 2015 AGM and has stated that they were content with the set up of last year and Management is to move forward with the same set up.

## **B. Budget Planning**

The Pacific Shores Resort Centre nominees are meeting in Victoria in July to go over their budget. The HOA would like to take advantage of the fact that Gail Turner and Joanne Hallert will be here and review their 2016 budget during that time.

## **C. Annual Calendar**

The budget meeting for 2016 will be July 8, 2016 and on July 9, 2016 a board of directors meeting will be held to vote on the budget.

The board is looking to have 2016 AGM on October 29, 2016 to allow more time to prepare the AGM documents for the owners. This will be finalized once verification that the date is available at the conference centre.

## **D. Board Member Duties and Due Diligence**

Joanne Hallert presented an outline for Board Member Due Diligence and Duties. A copy of this will be included in the board packets for each board meeting after the AGM so that any new directors can review it.

The outline basically reminds the directors that they are to keep the HOA's best interest at heart and if a director "wears more than one hat" (sits on other committees on the property), that they remember at the HOA meetings they represent the Pacific Shores Owners Enterprises, LTD owners.

## **E. Memorial Plaques**

Owners Strata VIS2036 has received a request from an owner to place a memorial plaque on the property for a loved one who cared for the resort. Strata management is preparing criteria for this type of request, however at this time, a plaque is not approved. Strata will be looking at allowing a tree to be planted in someone's name. Doug Alexander will present to Strata the ability to place a memorial tag (something that can be applied to a branch without harming the tree or be glaringly visible) to possibly satisfy the requester as well as not be obtrusive.

## **F. B Unit Dishes and Amenities**

The board has been informed that the dishes were removed from the B units to meet hotel unit standards, improve staff efficiency and reduce costs. Joanne Hallert also advised the board that the resort has received information from the Vancouver Island Health Association (VIHA) that having those dishes in the B unit does not meet health codes unless at the end of each stay the unit is stripped of the dishes and run through a commercial (not unit) dishwasher.

The board has requested management to replace the items removed from the B units with the knowledge that they are acting against management's recommendations.

The board has advised management that they are to receive board approval on any unit changes.

## **VI. OLD BUSINESS**

### **G. Action Items – April 18, 2015**

The action items were reviewed and will be adjusted by removing all items that have been completed. A new action items list will be presented at the next meeting with the adjusted list and the additional items generated from the current meeting.

Paul Dodds is to work with Terry Kerr to find out which exterior lights can be shut off during the day and if they are hard wired how to make the adjustment.

### **H. 2015 BOD Meeting Accommodations – Ken & Dave**

The board of directors' rooms have been reserved for the AGM.

### **I. 2016 BOD Meeting Accommodations**

The April board of directors' rooms have been reserved through RCI. There was no space available for the January meeting through RCI and Ken Chew will have the HOA inventory for the dates in question reserved so that there are no additional costs.

The dates for the 2016 meetings so far are scheduled for January 16<sup>th</sup> and April 2<sup>nd</sup>. David Hillmer and Ken Chew are working on these reservations as well as the July 8<sup>th</sup> and 9<sup>th</sup> meetings.

### **J. PSOE Collections**

HOA currently uses Continental Central Credit, Inc. The collection agency that Trading Places normally uses, Meridian, does not have a license in Canada and would only be able to provide a referral. Since Continental Central Credit, Inc. has been producing satisfactory results, the HOA will continue to use them.

### **K. II Affiliation Agreement – Next Step**

The Interval International Affiliation Agreement has been signed and accepted. Interval International has been provided with the Pacific Shores Owners Enterprises, LTD owner information and they will be contacting the owners and providing them with information on the organization. Sample letters were provided to the board of directors so that they knew what the owners would receive.

As there are a number of exchange options: RCI Weeks, RCI Points, Trading Places and II, Ken Chew and Doug Alexander volunteered to put together a summary of what the different exchange companies offer to have available for their next meeting to be able to provide to the owners.

## **L. Website Update – Ken**

Joanne Hallert advised that management is joining the two websites so that the main website will be [www.pacific-shores.com](http://www.pacific-shores.com) and will have a place to click on for owners to access their owner information. The plan is to have the [www.pacificshoresbc.com](http://www.pacificshoresbc.com) website rerouted to [www.pacific-shores.com](http://www.pacific-shores.com) when an owner tries to access it.

The current newsletter is available on the owners' website; however, the board would like it to replace the main screen so that the information is updated more regularly. It can be added to the newsletter tab when the next newsletter replaces the current one.

Once the two websites are amalgamated, Ken Chew will review them to see if there are any additional changes to be made.

## **M. Newsletter Update – Ken**

The newsletter went out June 15, 2015.

## **VII. STRATA – REPORT**

### **A. Management Report – Len Aylward**

Len Aylward presented the Strata Report.

The following items were noted in the report:

#### **Monthly Routine Tasks:**

- Garbage collection
- Recycling collection and cleaning
- Daily general cleaning of all garage areas
- Entrance way, walkways and elevator areas cleaned daily (housekeeping)
- BBQ's cleaned and inspected daily
- Twice daily testing of the point hot tub

#### **Spring Tasks Completed:**

- All sidewalks and paths have been pressure washed/power swept
- All road signs have been inspected and minor repairs completed
- All gutters and rain water leaders have been cleaned
- All flat roof sections have been cleaned
- All exterior lights have been inspected, photo cell tested and timers tested
- All exterior windows have been scrubbed and cleaned
- Parking garages have been pressure washed and routinely inspected
- Playground has been topped up with gravel

**Additional Items:**

- There are currently 5 BBQs on the grounds as another 2 are not in working order and are being used for parts
- The Point Hot Tub was losing 1” of water per hour due to a sand filter that was cracked. This has been replaced
- Considerable material was pulled away from the bordering parking fence and barricades moved to appease a neighbouring property
- Front entrance pond has been completed and The Kerr Group donated the new entrance sign
- The 700 block ponds are now in good running order
- Unit 414 had considerable water damage from a long standing leak in the skylight that has now been repaired
- Unit 417 solarium repairs are nearing completion
- A list of additional trees for removal for the Fall is in progress
- The irrigation system has been worked on and 3 new timers have been installed
- 180 cubic yards of mulch were distributed in the past 15 months

**VIII. PSRC REPORT – Kate Britton**

Kate Britton presented the PSRC report and stated the Resort Centre is financially struggling at this time. There are outstanding deficits from 2014 which consists of 2014 payroll that Trading Places had covered as well as payroll for the first months of 2015. The board advised management that they will take responsibility for their 50% of a Pacific Shores Resort Centre cash call, but will not take on the fractional owners’ portion.

Dave Hillmer asked their two Pacific Shores Resort Centre nominees to find out if the resort user fee presented to the whole owner of the 7 whole units is acceptable as well as if it was handled correctly.

Stuart Allen thanked Paul Dodds for working with the whole owner and arranging the user access fee during this awkward time.

**IX. EXECUTIVE SESSION**

The board convened to executive session at 8:30 a.m. (PDT).

The board re-convened to regular session at 9:25 a.m. (PDT).

**X. PACIFIC SHORES - FISGARD UPDATE – STUART ALLEN**

The Fractional owners have been presented with an opportunity for a buy out option from an outside source. The board of directors are doing their due diligence to find out how this will affect their owners. At this point in time, there is not a lot of information, and the board will not have much until offers officially go out to the fractional owners. This option has not been made to the timeshare owners at this time.



## **XI. ADJOURNMENT**

*A motion was made by Len Aylward and seconded by Ken Chew to adjourn the meeting at 1:11 p.m. (PDT).*

*The motion was unanimously approved.*

## **XII. EXECUTIVE SESSION**

The board convened to executive session at 1:15 p.m. (PDT).

The board re-convened to regular session at 1:45 p.m. (PDT).

### **Upcoming 2015 Meeting Dates:**

Friday, October 16, 2015 - Board Meeting at PS

Saturday, October 17, 2015 - PSOE AGM at Parksville Conference Centre

### **Upcoming 2016 Meeting Dates:**

Saturday, January 16, 2016 - Board Meeting at PS

Saturday, April 2, 2016 - Board Meeting at PS

Friday, July 8, 2016 - Budget Meeting at PS

Saturday, July 9, 2016 - Board Meeting at PS

Friday, October 28, 2016 – Board Meeting at PS

Saturday, October 29, 2016 - PSOE AGM