

**McCall Area Timeshare Association**  
**Board Meeting – Walla Walla, WA**  
**August 17, 2004**

Dave welcomed everyone to the board meeting at the home of Sandy and Dorothy Koonz in Walla Walla, Washington. He thanked the Koonz's for being such a wonderful host and hostess each year for the August board meeting. Board members present are Bill Geisler, Sanford Koonz, Dick Brotherton and Dave Holland. Patty Hukari is excused due to some back problems.

Board members reviewed the minutes of the April 13, 2004 board meeting in Hood River, Oregon. Dave asked for a motion to approve the minutes. Sandy made a motion to approve the minutes as written; Bill seconded. Motion carried and minutes approved.

Dave referred the board to the current budget-to-actual report. He reminded them that they had reviewed the 2003 audit at the last board meeting, noting that we're in the black again for another year so the annual homeowners' meeting should go really well.

Dave said he was very concerned earlier in the year because of all the money being spent for renovations including the carpet, lighting etc. We had only budgeted \$36,000 for carpet each year but with sixteen units to re-carpet this spring we went way over budget. However, the encouraging part is that the electric bill hasn't been as high as we had anticipated. So far we've only spent \$22,000 on electricity and had budgeted \$61,000. If we have a warm fall it will really help, also, power rates dropped earlier in the year. Dave is encouraged by this budget-to-actual. From now until the end of the year Dave said he'll be really cautious about spending much money.

Dave reminded the board that there are always unavoidable expenditures. For example, we've had to replace two refrigerators already this year. We haven't had to replace any refrigerators for several years. They're running just over \$500 each, which isn't too bad. All in all we're in pretty good shape right now. Salaries and wages are under control and we're right on target as far as repairs and maintenance goes.

Dave asked if there were any questions about the budget. Sandy asked where we are as far as the reserve accounts. Dave said right now we have about \$50,000 in the reserve accounts. He reminded the board that at the last board meeting he was authorized to transfer funds from the reserve accounts into the general account as needed. So far we haven't needed to do that but as we get closer to end of the year he may have to draw on that. Dave said we also have about \$7,000 in savings at U.S. bank. The other accounts are at Washington Federal.

Dave said he's really going to look closely at the reserves because too much is not prudent but we do need to maintain a certain amount for emergencies. Sandy said he thinks that's a good idea.

Dick asked where the money is coming from for the reserve accounts and Dave said it's a \$15 fee that was earmarked from the annual maintenance fees several years ago.

Bill asked what the property management fees are. Dave said those are the fees that are paid to him for management. It's ten percent of all the maintenance fees collected.

Dave told the board that the office printer broke down the other day so we had to buy a new printer. Dick asked if we're keeping up-to-date on the anti-virus software. Dave said we are, we use E-Z Trust antivirus and run it often. In addition, Dave said we pay an extra dollar per month to the server for a spam filter on the computers in the office. At the end of every year we print out hard copies of everything so that if we had to restore we could.

Dave said we had to upgrade to larger accounting software earlier this year. The new software is called Peachtree and was supposed to transfer the information from the old system to the new system and it did – at least part of it. It's really been a difficult transition but Dave said we're finally getting the bugs worked out on that conversion.

Dave asked if there were any other questions about the budget-to-actual report. Dave feels that he should start replacing six to twelve refrigerators every year. The ones in the units now are over twenty-two years old. Dick commented that appliances aren't lasting as long as they used to. In addition to refrigerators, Dave said we're really going through microwaves right now as well.

Dave said he's really going to go through the budget. He feels there are some real issues facing the association with all the growth in McCall. Rents are going up all the time and the contractors have rented just about everything. Dave said he heard that rent in McCall is running \$1,000 to \$1,200 a month. This is exactly what Sun Valley, Colorado and other places have gone through in the past. Dave feels that labor costs will have to increase just so people can afford to live in McCall. Dick commented that if we want good help we have to pay them. Sandy said we've always paid more than minimum. For the opening in the office we only had one solid application, the other one was from an eighteen-year old. Dave said that for the part-time office position he had to offer \$9 per hour to start and \$10 once they're trained.

Sandy asked what we're paying the housekeeping crew. Dave said we're starting them at \$7 and moving them up pretty quickly once they're trained. The ones who have been there 14-15 years are making \$12- \$14 per hour. Sandy said we're probably looking at \$15 per hour eventually and higher for office help. Dave said with thousands of new homes being built in the area a sizeable portion of those will require housekeeping personnel. Dave said Tamarack alone is building over two thousand new homes. The competition for housekeeping personnel will be enormous.

Dick asked if Diana works for Dave or for MATA. Dave said she works for MATA. Then Dick asked how much she's making and Dave said he couldn't recall for sure but that he would be reviewing that when he scrutinizes the budget.

Dave reminded the board that they'd discussed hiring someone to act as a concierge in 2005. He's been hosting the Tuesday morning "Welcome" all summer, which people really seem to appreciate, but we could be doing more. For instance, when he and Holly were back east this spring they stayed at a timeshare resort in Alexandria, VA. That particular resort had a concierge desk devoted to helping folks plan their days. Of course, they also encouraged their guests to give them high ratings with the exchange companies.

Dave said the whole timeshare industry is changing to the point system and that guests expect more services from the resorts. Dave said he's been against the point system all along because people don't own anything.

Dick asked how we can make all these changes without raising the maintenance fees. Dave said our fees are still a lot less than most resorts. Dick wondered how the point system fees compare with our fixed weeks fees. Dick said his family members work with point systems and seem to have a lot of flexibility with exchanging. Dave feels that that flexibility costs money. Dave doesn't like raising fees any more than anyone else.

Dave said in the last board meeting minutes it mentioned that we now have wireless internet service. So far people really like it. It's working well on the Aspen Village side of the resort; however, there are still a few problems with reception at the Aspens.

The next item on the agenda is to appoint a nominating committee. In the past we've asked Kathy Borgholthaus, Steve Walters and Peggy Whitman to serve on the committee. Dave asked the board if those people were still agreeable. Dick made a motion that we stay with the same nominating committee. Bill seconded. Motion carried unanimously.

Bill asked if we have someone to replace him on the board. Dave said we could never replace him, however, there is an owner who is willing to serve- his name is Marv Meacham and he's really a nice guy. He and his wife own several weeks at the resort. Marv has been in the tile and carpeting business all his life but he's retired now and his son has taken over the business. He's from the Boise area, probably close to sixty-five years old. Though he's had some health issues in the past he's up and going strong. He's a good Christian man. Sandy said he's met him and liked him. Dave said he's a long time owner and loves McCall. Bill actually sold him his condos.

Dick asked Bill if he's going to retire from the board. Bill said he's thinking about it because his physical attributes just aren't that strong. It's too difficult to take care of Lavina and come to McCall too. Dave said we'd still be able to call him. Bill said he's just not sure right now if he wants to resign. Bill said it's a hard decision to make. Dave believes Bill has served the homeowners well over the years. Dave, Bill and Sandy are up for re-election this time.

Dave said the next item for discussion is the lack of parking – for anything. They're building on every open site in Aspen Village. The first group of new condos is being built across from the E-building where the horseshoe pit was located. The second group is going in just beyond the storage units and the third group of condos is going in behind AmeriGas just behind the W-building. Dick said there was supposed to be a swimming pool behind the W-building. Dave said it was but the board decided it was too expensive and nobody wanted to pay for it. Unit #142 will be looking at the side of a building just like C-6, W-137 and E-11. Dave told the board that now the only parking people will have is the garage and the parking apron in front of the garage. Dick asked if there were any options and Dave said there really aren't because any open areas will be used for snow storage in the winter.

The next item is venting under the buildings. We've had a man inspecting under the buildings. The good news is that most of the buildings are intact. There are a few places where the seal plates are rotting and will have to be replaced. They've been installing pipes under the buildings for drainage and now they're going to install vents with fans that will blow air constantly. The Aspen Village is doing that.

Dave said we need to change the date for the annual homeowner's meeting from October 16<sup>th</sup> to October 23<sup>rd</sup> because Rick Lamm's son is getting married on the 16<sup>th</sup>. Dave asked if that met with everyone's schedule. Bill asked if moving it a week ahead would work. Dave said it didn't work with his schedule.

Dave wanted to confirm the date for the phone conference to discuss the budget. The date will be Sept. 7<sup>th</sup> at 9:30 am for Sandy, Bill and Patty and 10:30 am for Dave and Dick. That time works for everyone.

Dave wanted to talk about renovation projects for 2005. He's thinking about replacing major appliances like TVs, refrigerators, microwaves etc. and moving forward with the picture project. Dave asked the board what they feel is most important to replace next year. Dick thinks the recliners and swivel chairs need to be replaced. Dave said all the furniture is twelve years old. Sandy mentioned the beds and Dave said that we replace mattresses all the time on an as needed basis.

Dave would like to hold off on replacing furniture until 2006. The appliances are kind of a no-brainer. Dave said that at the last meeting Bill had mentioned that we need larger TVs, which means we need a place to put them like an entertainment center. Sandy asked if we're on cable now, Dave said we are. Dave said he will get estimates for all these things.

Dave's thinking a ten or fifteen dollar bump in maintenance fees is about where we'll end up for 2005. Sandy commented that property taxes will probably go up. Dave said last year's fees really didn't go up that much, maybe two or three dollars. Sandy feels that ten dollars per week isn't that much.

Sandy mentioned how disappointed he is that all the trees behind K-53 have been cut down. He said he'd like to build a fence across there to keep people from wandering through. All this development has a price.

Dave wanted to share a maintenance request we received during week nineteen from some people staying in a three-bedroom unit. It says "You're a great team. Your kindness in seeing to our needs was appreciated. You're staff is exceptional." It was signed by Joyce and Bill Moore. It's nice to hear some positive comments once in a while.

Dave said our staff is exceptional. He doesn't know what he'd do without Cindy, Louise and Diana because we are a team and we've become good friends over the years.

Dave showed the board a copy of the McCall Activities sheet that we hand out to people every week. Dave said we have an owner, Mel Morrow, and older gentleman who sent us all kinds of movies and that inspired Dave to donate some of his movies too. Now we have a whole collection of movies, games and books that guests can check out for free. Dave said he's thrilled that it's gone over so well with the homeowners and exchange guests.

Dave asked if there were any other items for discussion. Dick said he concurred with the Moores that Dave, Diana and the rest of the staff are doing a great job. He also said that if this is their last meeting with Bill he wanted him to know that they all appreciate him immensely.

Bill made a motion that the meeting be adjourned. Dick seconded. Motion carried.  
Meeting adjourned.

Respectfully submitted,



Dick Brotherton

Secretary, Pro Tem