

THE TIMBERS CONDOMINIUMS OWNERS' ASSOCIATION, INC.
24th ANNUAL MEETING
September 21, 2019

EMS Building
4214 County Circle Rd.
Island Park, ID 83429
1:00 P.M. (MDT)

MINUTES

I. CALL TO ORDER

Vice President Alma Ernst called the meeting to order at 1:00 p.m. (MDT). Mr. Ernst welcomed the membership to the meeting and introduced the directors of the board and guests. Mr. Ernst shared some memories of Kelly Pearce and his time on the Director's Board. Due to personal issues, Kelly Pearce resigned from serving on the board and Kelly Dick replaced him.

Board Members Present:

Alma Ernst	Vice President/Treasurer
Gordon Bown	Secretary
Earl Cluff	Director
Mike TenEyck	Director
Kelly Dick	Director
Bruce Lawrence	Advisor to the Board

Trading Places International, LLC:

Douglas L. Wilcox	Sr. Vice President of Resort Operations
Angie Illum	General Resort Manager
Julie Almond	Front Desk Manager
Nicole De Casas	Administrative Assistant

Guests:

Mike Fitzgerald	Auditor
Joyce Foster	Recorder
Roy Boseley	Project Manager

Vice-President Ernst reminded the membership of the resorts mission statement as follows:

“THE TIMBERS CONDOMINIUMS OWNERS' ASSOCIATION, INC. provides quality service and recreational experience for its members and their guests in a safe, ethical and environmentally friendly manner.”

Mr. Ernst reported that the meeting notices were mailed timely to meet the requirements of notice. He also reported that a quorum was present through proxy or by person.

II. APPROVAL OF THE 2018 ANNUAL MEETING MINUTES

Vice-President Ernst asked for corrections to the Timbers 23rd Annual Meeting minutes. No corrections were commented by the membership. Ernst instructed the members to mark their ballot accordingly to approve the minutes.

III. REPORT OF THE OFFICERS

Alma Ernst shared a heartfelt tribute to Kelly Pearce. Mr. Pearce served on the Board of Directors for 16 to 18 years. In that time, he had complete dedication to the resort. He facilitated that the resort be family friendly, a place to make memories, a place to enjoy and be proud of. Kelly Pearce was a driving force of the completion of the Clubhouse within budget. The board appreciated Kelley Pearce, saying that he was a pleasure to work beside.

All of the directors share the ideal of working hard to keep Timbers Condominiums a destination for members to enjoy and make memories. All of the directors keep this in mind when making decisions that affect the resort. They will keep fighting for its members. Kelly Pearce also expressed that it has been a pleasure to serve and further expressed his appreciation to the members of the board and to the members.

Mike TenEyck, Director and owner since 1987 and board member since 2002, spoke to the history of the resort and in more detail about how the clubhouse became to be. It all started with listening to the comments from the members. He talked of the plans for the Clubhouse with all the bells and whistles to the state of the art clubhouse that we have now to meet the needs of the membership and a project that the Association could handle, financially. Mr. TenEyck reported that Timbers was a high risk to lenders and it took two years to find the money to build. The first lender backed out and then they searched for a new lender. A few statistics of the Clubhouse: \$62K spent on legal fees, \$1.6 million on contract/building costs, Roy Boseley-Project manager \$144K, Architects \$126K Colebroch Financial \$26K for a total of \$2.1 million to build and complete the Clubhouse. After scaling back, the project, no special assessments, no loans from the Reserve account, the loan amount of \$1.25 million, installments to be paid each December for three years with the interest rate 3% over prime. Colebroch being the lender was very impressed with the financial state of the resort. The board explained that there would be a penalty to pay off the loan early because financial institutions make their money is the interest off of loans. An owner asked if the maintenance fees go down after the loan is paid off and Mr. TenEyck responded that this cannot be predicted. There are upgrades that need to be completed. Mike TenEyck concluded that he loves the members and the resort, he has many memories of family and friends while time spent at the resort.

Alma Ernst, Treasurer reported on the financial aspects of the resort for the 2019 season. The resort is no longer a small organization. It is a huge task to keep the resort going and operating on a daily basis.

Income for the resort was \$1.9 million. Expenses – Housekeeping \$257K, Maintenance \$167K, Utilities \$190K G&A \$28K, Loan payment due in December \$285K, \$70K of the loan is interest. At the present time, analyzing the impact the Clubhouse will have on the next years' operating budget. Mr. Ernst commented that this time of year is very difficult for the resort, being at the end of the fiscal year and the resort is running \$42K in the red. The deficit carries over the new assessment or not fund the reserves account by \$42K to make up the amount to the operating budget. Alma stated that the board doesn't make decisions lightly, they look at all avenues to make the best decisions for the members.

IV. FITZGERALD & ASSOCIATES - AUDIT

Mike Fitzgerald, the Association's Auditor, completed the audit ended September 30, 2018 based on the financial reports, visiting TPI, and completing tests and evidence. In his professional opinion a clean audit was given. Mr. Fitzgerald stated a few highlights such as: Assets are up \$700K over last year; Rental income has decreased, bad debt level 14% same as the last three years, Excess revenue \$426,468.00. Mr. Fitzgerald added that the Resort Manager and the board does a great job at expense control which is very hard to do in the environment. The Reserve study and the reserves being 23% funded. Funding is on the low side. There is not a funding requirement for the state of Idaho. A healthy level of funding would be 50-60%. Mike Fitzgerald recommended increasing funding, but it is a balancing act. Having the Reserve Study give the board a guide to what is upcoming to be replaced from the reserve account. Mr. Fitzgerald explained the decrease in the Rental Income is based on a combination of a few factors. 150 units have been sold to new owners, prime time is what sales or what is rented. There is not a lot of inventory available for the rental program. Units are being sold to individuals or to groups. The resort manger, Angie Illum, interjected that twelve units were sold in the last two weeks. Geo Holiday purchased a lot of units for their exchange program. For clarification, the employees are Timber employees and the General Manger, is a TPI employee with the money for her salary comes from the membership. Annual cost for the TPI management company is \$85K per year. The management company oversees and completes all of the reservations, accounting and the rental program.

V. MANAGER'S REPORT

Alma Ernst introduced Angie Illum, who is in the second year of being the Resort Manager at Timbers, and expressed his appreciation to her and her skills to keep the resort running with managing employees, becoming a member in the resort, and being vested in the overall project. Ms. Illum believes in the resort and wanted to become part of it as an owner. She thanked the owners for their passion and the being the legacy of the resort. Being a legacy resort has its challenges. She faces the challenges head on. The resort is outdated; roofs need to be replaced, which they have elected to go with metal roofs. Also siding and windows are on the list. Island Park is changing. Robin Roost is being torn down with a new grocery store being built in its place and a new Marriot is being built. With the growth, finding employees and keeping employees approves to be a challenge. Airbnb's in Island Park alone bring in \$5.1 million in revenue. Island Park is the number one destination for the state of Idaho. Building of the clubhouse has been an everyday task. Ms. Illum compared it to a ski lift, which is easier. The team that built the facility was exemplary. The target date to have the clubhouse open, up and running was February 15, 2019. It is a beautiful, and nice facility. A project all members could be proud of.

Angie Illum thanked the board, Douglas L. Wilcox and the staff of the resort. She has an amazing staff. She encourages the members to get to know the staff and thank them for the job that they are doing. The staff do their very best job for the resort. She encourages staff team building because happy employees make things happen to the best of their ability.

Highlights completed and upcoming:

- Replaced four roofs due to damage.
- Participating in the January Winterfest of the Island Park Chamber. The resorts event was Axe Throwing which was voted the Best New Event.
- The snow was a major feat. Having 9.5 feet of snow in January alone made the environment hard to keep up with. Lot of days shoveling. Roads were closed for 6 days.
- Snowman Festival held on President's weekend had 16 kids participating.

- Maintenance week was lots of fun. Roof was built over satellite, tongue and groove on the ceilings placed in units, windows washed and replaced. Carpets cleaned in units. Fence repaired, and a gate built. Maintenance week will be held beginning the first or second weekend of May. She appreciated all of those that helped even with the challenge of the snow still at the resort in May.

Angie Illum is open to opinions and suggestions. Please call, email or drop by her office. She also asked members to let her know immediately of safety issues or concerns at the first of your stay, as the safety of all members and guests are important. Angie concluded her time with a slide show.

Gordon Bown commended Angie for being frugal and reasonable. He appreciates her and her work thoroughly.

Roy Boseley stated that the board cares deeply about the owners and the long-term affect decisions make on the members. He has never worked with such a diligent and dedicated board.

VI. ELECTION OF DIRECTORS

Doug explained the voting process stating that members may cast one vote per interval owned on the ballot. According to the bylaws the board may have up to seven directors. The board has elected to have five seats. Inspectors for the election are Rod Silcock and Linda Brown.

- Five candidates for a 2 year term for two director positions. Incumbents Alma Ernst and Gordon Bown also Advisor Bruce Lawrence, submitted statements. Angela Ritter and David Stewart conveyed their desire to serve and were on the ballot, but were absent. Director Earl Cluff asked for nominations from the floor three times. After hearing none, *MSC Moved by Rod Silcock seconded by Linda Brown to cease nominations.* Each candidate was given the opportunity to speak to the membership. The incumbents focus was the projects that are currently ongoing and are compassionate for the resort. The other candidate in attendance, Bruce Lawrence, called the resort a detestation place. He also commented that he would be happy to serve. Earl Cluff commended the board for all of their hard work and we are very fortunate to have the passion. He went on to say that this is not a good old boys club.

VII. OPEN FORUM

- Is the highway property for sale? Yes, but it is not listed at this time.
- New motel being built by Mack's Inn by Marriot. How is the resort being proactive to retain employees? The board is taking in consideration of increasing wages or providing affordable housing. Turnover rate is high, mostly high for the front desk. It is not cheap to live in Island Park. Looking at turning the old office building into a four plex for employees. Angie Illum is also leading by example, education, building a team and providing benefits to employees.
- Comment from the audience –He doesn't see the assessments going down.
- Use of clubhouse on the off week. Members were told one way and it has been done another. It was asked of the board to send an email, communicate with the membership when changes have been made to policy and why such as the clubhouse rules.
- We have a learning process of the clubhouse that it is underutilized during some operating hours. Discussion is being held about offering a water aerobics class to offset expenses. Also, a fee of \$4 per day for the use of the pool on the off week or to open to the public during the slow periods. Please check-in when using the clubhouse.

- Many members don't review the written material sent to them. They were encouraged to read the information and check the website for posts.
- Assess what you need and speak up when you see things that are going on. Be respectful of the resort. Several damages have been done by owners not renters. Please be watchful and report it.
- Every year discount was given if paid in timely manner. The discount has been discontinued due to going in the hole.
- No longer maintenance week in October because the resort is open. Only in May is the resort closed.
- Douglas L. Wilcox also cautioned the membership about timeshare scammers. They will just take your money and you will still be responsible for your timeshare.
- Asked about vacant rooms for the annual meeting. Angie Illum responded that she would love to rent rooms, but the resort was full.
- Our best sellers of inventory are our members – they are the best sellers.
- Angie Illum and the staff were given kudos for the wonderful guys lined up to shovel off the snow. Mold and mildew of the wet unit was a concern. The owner thanked them and appreciated their quickness to get it taken care of.
- Recommendation of child care or something for the children to do to be offered during the annual meeting.

VIII. ELECTION RESULTS

Alma Ernst and Gordon Brown were elected to serve a 2-year term and the minutes were approved by ballot with no corrections.

IX. RAFFLE

Several winners of raffle prizes consisting of a bonus week and two free exchanges, donated by Trading Places.

X. ADJOURNMENT

Vice President Alma Ernst thanked the membership for being members and attending the annual meeting. With no further business to come before the membership, **MSC Rod Silcock moved, seconded by Bruce Lawrence to adjourn the meeting at 2:51 p.m. (MDT).**

Submitted by:

Joyce Foster

Approved by:

Timbers Condominium
Owners' Association, Inc.

Joyce Foster,
Recorder

Gordon Bown,
Secretary