
PROPRIETORS STRATA PLAN #50

THE REGENT PALMS BOARD MEETING

FRIDAY JUNE 11, 2010

MEETING ATTENDANCE:

Regent Representatives:

Monica Neumann, General Manager (MN)
Patrick Van Hamme, Financial Controller (PVH)

Board Members:

Tim Webb, Chairman (TW)
Peter Kirby (PK)
Stan Hartling (SH)
Catherine Caldwell (CC)

Absent with regrets: Doug MacKenzie

APPROVAL OF THE MINUTES OF THE DECEMBER 2, 2009 BOARD MEETING

Motion to approve by PK; seconded by CC.

OPERATIONS REVIEW

MN reported that room nights are up 2,800 nights over 2009 for the period January 1 – May 31, 2010.

Income Statement for the 5 months ended May 31, 2010

Revenue is down \$57K, primarily due to a reduction in the insurance assessment income in the amount of \$62K. This is offset by the reduced insurance premium and related management fee expenses in the amount of \$62K.

PVH presented a summary of positive and negative variances, exclusive of insurance as follows:

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
Total Revenues	2,022,772	2,079,805	(57,034)
Payroll & Related	489,826	481,037	8,789
Other Expenses	1,543,762	1,600,006	(56,244)
Net Result	(10,816)	(1,237)	(9,579)
Description	Positive	Negative	
Interest Deposit Account	2,976		
Maintenance payroll	2,947		
Landscaping expenses	28,000		
Sewage plant	9,800		
Pool & Beach supplies	2,000		
Other	1,952		
Work permits		(3,430)	
Maintenance supplies		(14,538)	
Electrical & bulbs		(3,123)	
Elevator		(4,943)	
Garbage removal		(3,954)	
Pool & Beach payroll		(8,654)	
Pool chemicals		(6,107)	
Payroll common areas		(5,418)	
Energy		(7,087)	
TOTALS	47,675	(57,254)	
NET IMPACT		(9,579)	

Balance Sheet for the period ended May 31, 2010

A decision as to the timing of the expensing of the PPC legal costs and door closer expenditures currently carried as an asset on the balance sheet has been deferred until the Board of Directors meeting in December 2010. By that time The Board should know the ruling of the Court in The Palms Resort Ltd. v. PPC Ltd. – Appeal to the Privy Council.

The \$102K intercompany account between Palms Strata and Palms Condo is to be analyzed by PVH to ascertain what makes up the balance.

The receivable balance from The Sands in the amount of \$5,534 is to be collected.

RESERVE FUNDS

CAPEX Reserve

On the basis that the balance of the expenditures left in the budget are made between June 1, 2010 and December 31, 2010 the projected CAPEX Reserve balance is as follows:

Balance 5/31/2010	(13,145.00)
June - December Contributions	45,108.00
Balance of budgeted CAPEX expenditures left	<u>(76,048.00)</u>
Projected December 31, 2010 balance	<u>(44,085.00)</u>

The following changes to CAPEX expenditures were made:

- \$4,666 charge for the trellis behind P-23 is to be reallocated from Palms Strata to Palms Resort (Restaurant) along with the amount of \$2,333 charged to Palms Strata in 2009.
- Carpet binding machine expenditure in the amount of \$5K is not going to be made.
- Lighting expenditures to be minimized to the extent that security is not jeopardized. The lighting in front of buildings 1 and 5 is to be assessed due to recent resort break-ins along Grace Bay. A balance of \$25K remains in the budgeted CAPEX expenditure left.
- Purchase of 2 new treadmills at an estimated cost of \$17K is approved and to be charged to the CAPEX reserve.

Major Reserve

On the basis that the balance of the expenditures left in the budget are made between June 1, 2010 and December 31, 2010 the projected Major Reserve balance is as follows:

Balance 5/31/2010	713,962.00
June - December Contributions	176,449.00
Balance of budgeted Major expenditures left	(80,000.00)
Projected December 31, 2010 balance	810,411.00

Further to the December 2009 motion to review the waived 3% increase in the Major Reserve Strata fee at the June 10, 2010 Board meeting, the motion was made by PK to implement the increase in the Major Reserve Strata fee by 3% commencing July 2010; seconded by CC.

Once the Major Reserve gets to an adequate level, the contribution will be scaled back.

Reserve Fund – Sewage Treatment Plant

The reserve fund for the sewage treatment plan, per Mark Johnson, should be \$150K. The total funding of the Sewage Treatment Plant Reserve is split between Somerset and The Regent Palms as follows: Somerset – 33% / The Regent Palms – 67%.

The Regent Palms funding of the reserve to date is to be made as follows:

Based on the following analysis, SH made the motion to transfer \$58,880 from the Major Reserve to the Sewage Plant Reserve; seconded by PK.

RESERVE FUND SEWAGE PLANT - AT THE END OF MAY 2010

Split:	Somerset	33.33%	\$ 600.00	\$ 7,200.00	Monthly		Mgt
	Palms	66.67%	\$ 1,200.00	\$ 14,400.00	20.00%	\$ 240.00	company
	Resort	0.00%	\$ -	\$ -	80.00%	\$ 960.00	Strata
Total		100.00%	\$ 1,800.00	\$ 21,600.00		\$ 1,200.00	

	# months	Funding		Funding		Funding	Usage	Balance
		Somerset	Palms		Total			
initial	1	5,000.00	33%	10,000.00	67%	15,000.00		15,000.00
2006	12	7,200.00	33%	14,400.00	67%	21,600.00		21,600.00
2007	12	7,200.00	33%	14,400.00	67%	21,600.00		21,600.00
2008	12	7,200.00	33%	14,400.00	67%	21,600.00		21,600.00
2009	12	7,200.00	33%	14,400.00	67%	21,600.00	(6,997.64)	14,602.36
2010	5	3,000.00	33%	6,000.00	67%	9,000.00		9,000.00
Total		36,800.00	33%	73,600.00	67%	110,400.00	(6,997.64)	103,402.36
		80%	strata	58,880.00	>>> to be transferred from major reserve fund			
		20%	resort	14,720.00	>>> to be funded by management company			

OTHER:

An employee is to be hired for rotational maintenance of the units.

Meeting Adjourned.