

**Dunes of Panama Management Association
Board of Directors Meeting
January 14, 2017 at 3:00 P.M. Local Time**

“E” Lounge

Minutes

Call to Order, Proof of Call, Quorum

Mike Allen called the meeting to order at 3:00 p.m via telephone. Jeff Mynard determined that there was a quorum. Directors present were Dr. Warren Banach, John Horton and Dr. Robert Furlough. Director attending via telephone was Tom Burg. Ed Duskin had to have knee surgery so he will not be able to attend. DOPMA employees present were Jeff Mynard, Joyce Hall, Bethany Stokes and Tonya Clay.

Election of Officers

Mike tells the board the first item on the agenda is election of officers for the 2017 year. A motion was made by Dr. Banach to keep the officers the same. Motion was seconded by John Horton, roll was called and motion was passed by unanimous vote. Let the record show that Ed Duskin- President, Mike Allen- Vice President, Tom Burg- Treasurer and Jeff Mynard- Secretary.

Approval of Minutes-August 20, 2016

Mike asked for minutes to be reviewed for any corrections or additions. Motion made by Dr. Banach to accept minutes as written, seconded by John Horton. Roll was called and motion passed by a unanimous vote.

Financial Report

- **Profit & Loss Budget vs. Actual** 1/1/16-11/31/16
- **Balance Sheet as of** 12/31/16

Jeff begins the financial report with the Profit & Loss Statement for Jan. through November of 2016. Jeff explains that the reports only go through November because we don't have December closed out yet; good news is Tonya has been working remotely and is relocating back here in February. Jeff recommends to the board that they bring her back full time working in the office starting February 1st. A motion was made and seconded by the board to bring Tonya back full time.

Jeff tells the board that he had sent something out prior to Christmas; we were trying to get some expenses in to reduce our income to avoid paying federal income tax. We had talked about doing the keyless entry lock system for all the rental units and he shopped around to two or three different vendors but he found a quality vendor Lock State. Their regional representative is located in Pensacola and I was able to get a hold of him as opposed to going through a retailer, I went straight through him to Lock State which saved us a bunch of money. We have written them a check and paid them \$55,000 for 145 keyless locks that are now being built. I know it is going to be a great benefit for the office and housekeeping in trying to manage all these keys. The lock actually connects to the internet access point and you can

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program them on line. The lock interface is compatible to the new software that we have so it will be able to generate a new code for each reservation. We will also be able to give housekeeping codes to clean the rooms that will only last that day; the 4-6 hours that it takes to clean the room. Mike asked Jeff how long the information stayed in the system. Jeff told him it will be there for a year or more so, if we have someone go in a room and its dirty when nobody is supposed to be in there we can look and see what access code was used. Before we decided that we could do that project we did a throughout analysis, although these numbers are through November and we were going to net after the commercial loan principal payment almost \$115,000. So instead of paying taxes on that we did the locks, we are also prepaid for the special assessments for the commercial units.

Rental commission as of December 20th we will end up the year at about \$8,000 profit which is the perfect amount to pay taxes on. 2016 was a great year, if you go back and look even through November the budget we are up about 3% in rental commission. We also managed the housekeeping and laundry expenses a lot better. We focused on housekeeping because it needed it and there were a lot a people that worked on it all year to make it their priority. There was some increase in income but we definitely managed the expenses particularly the ones related to housekeeping. Also we looked at our advertising and marketing and cut back some there; we also put in the new software system. Jeff explains that he really likes this system, the system that we were operating out of before was not a bad system its software was primarily written for a hotel. Barefoot is much more customizable and suitable for the kind of business that we are doing. We will be able to put a lot more pictures and better quality pictures and in making reservations it is all about visual. Overall it has been a successful and prosperous year.

With no questions, Jeff proceeds with the Balance Sheet. Cash on hand is currently \$221,877 which is almost \$100,000 from 2015. Accounts payable is \$8,875 which is down from last year. Again overall a very successful year, we took the profits and reinvested them back into the rental program for the owners.

Motion was made by Tom Burg to approve the financial report as presented, seconded by Dr. Warren Banach, and the motion passed unanimously.

Old Business

There was no old business to discuss.

New Business:

Mike Allen states that at this meeting a year ago he was petrified, we were getting the new do's and don'ts that you could do on the beach, people were canceling spring break reservations left and right. People in other units were panicking and he was dreading come here this year and telling the owners how much we lost. He is extremely happy to have been wrong. Mike states that Jeff has talked about the lock and he asked Joyce if she and her girls are happy with the new system. Joyce confirmed that they were happy with the new software system. Jeff tells the board that another good thing about this system is that it is cloud based so you can access it from where ever. Another words, maintenance or housekeeping doesn't have to be on a network to access information, they can access directly from the cloud. We can also after a period of time get rid of a room full of computer equipment and servers. Tom asked Jeff how far along we are in terms of install of the owners system. Jeff tells Tom that we are running it now, we

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have converted all the existing reservations over to the new system and we are putting in the new reservations that are coming in. Jeff also state we still have a ton of work to do, we try to carve out 3 to 4 hours a week dedicated to getting it operating and set up and working out the bugs. However, making reservations and the check in and out process is pretty easy but the ACH deposit and the owner's statements and vendor payments are going to take a little more. We have also been redoing the marketing website and we hope to cut that over at the same time so the old website you use to go to will look totally different. In going through this whole process that started back in January of last year where we started evaluating different software systems you learn a lot about what is going on in your industry...i.e. trends and changes and things like that. We came across a few things that might work for us, policies that deal with security deposits and payment that we would like to implement. There is some fear because there are some changes that it may drive off old customers that are used to the old way and we can make the system do whatever for whom ever. Another thing is the security deposits of \$250 and \$350 are now going to what is called a damage waiver; nonrefundable payment of about \$50. We have figured it up that \$50 per reservation is a significant amount of money and then we don't have to deal with the security deposit. These are just some of the trends like the door locks that our industry is moving towards.

Jeff also tells the board that there have been some changes in the tax rates that are going to make the cleaning fees and things like that to go up like that.

John Horton asked about the locks and the building recommending them to their owners and how it would benefit DOPMA to get as many people as you can to use them and out of the keys. It puts the property in a modern situation and several of the owners who do not rent have asked Jeff about them already. John states he would like to see all of the doors look the same. Jeff states that we can certainly put out a letter and tell them what we are doing and tell them what it cost and the benefits and see how many want to do it.

Adjournment:

Mike Allen asks if there are any questions or comments, there being no further discussions a motion was made and seconded and the meeting was adjourned.

Respectfully Submitted,

Jeff Mynard, Assistant Secretary