



# TOLOVANA INN

## RENTAL POOL

### MEETING OF THE LIMITED LIABILITY COMPANY (402)

March 22<sup>nd</sup>, 2023

Remote Meeting

#### **Call to Order**

The March 22<sup>nd</sup>, 2023, meeting of the (Rental Pool) Tolovana Inn Managing Members was called to order by Chairman, Daniel Casey at 5:26 PM

#### **Members Present**

Chairman, Daniel Casey; Secretary, Debbi Stone; Treasurer, Gary Bauer; Directors, Bob Dedrick, Linda Somner, Sandy Miller and Steve Mozinski.

#### **Others Present**

Doug Nealeigh and Jennifer Rice-Borgerson from Vacation Villages of America, Inc.

#### **Minutes Approval**

##### **February 4<sup>th</sup>, 2023, Board of Directors and Annual Meeting Minutes**

Debbi Stone **moved** to approve the minutes of the February 4<sup>th</sup>, 2023; Board Meeting and Annual Meeting as presented. **Seconded** by Linda Somner and **passed**.

#### **Correspondence**

Friends of Haystack Rock sent a letter of thanks to the ownership for this year's donation.

#### **Treasurer's Report – Gary Bauer**

Gary reviewed the draft January and February 2023 financial statement for the LLC. Income is below budget for the month and year to date. Operating expenses are below budget for the month and for the year. Repair and maintenance expenses are below budget for the month and year to date. Other expenses are below budget for the month and exceed budget for the year. Net income exceeds budget for the month and is below budget year to date.

Gary reported that he and Daniel have been in touch with the LLC's banks in an effort to keep account balances below FDIC limits. The banks have also been assisting with account balance management via sweep accounts.

Bob Dedrick **moved** to approve the draft January and February 2023 LLC financial statement as presented. **Seconded** by Debbi Stone and **passed**.

#### **Committee Report**

##### **Interiors Report – Bob Dedrick**

Bob reported on project updates since the last meeting; six units in Building One have been completed and are in the process of being returned to inventory, product ordering for the next phase of renovations – beginning April 2<sup>nd</sup>, and flooring replacement plans for several units. To date, 43 units have been renovated with a goal of 55 by year end. Following feedback received from the Board on case good options, Wood Castle will produce two different sets of furnishings to be installed as samples. Doug answered questions about renovation project specifics and contact with owners whose units are being updated.

#### **VVA Report – Doug Nealeigh**

Winter weather has impacted first quarter expectations. Revenue in January finished \$73,000 or 31% below last year, and occupancy was down 381 rooms or 25% below last year. Fortunately, Average Daily Rate (ADR) remained strong at \$164 compared to \$161 last year. February saw an improvement over January and finished

as the third best on record. Revenue was \$21,855 or 8% below last year with occupied rooms down 8%, with ADR increased by 4% to \$163. March revenue is tracking 20% below last March with occupancy 32% behind and ADR tracking \$28 ahead or 18%.

Year to date revenue is tracking 20% below prior year, occupancy by 22% and ADR up 7%. While the numbers are concerning, they are comparable to pre-Covid statistics for the Inn. Advance Deposits are 10% below last year yet still tracking ahead of pre-Covid balances. To date, 78% of March revenue is on the books.

Group Sales to date have recorded \$205,465 in bookings representing 17 groups. Doug reported on group business of competitor properties. He also shared information from a recent Chamber of Commerce meeting regarding a room tax increase being considered by the city. VVA along with representatives from OLA plan to attend future Chamber meetings in an effort to support local hotelier interests.

VVA has engaged a contracted Revenue Manager, Brian Lueb, for their accounts. Brian will be advising on sales, inventories and interactions with the OTAs. Phil is working with JaLene and Gabrielle on consolidating the number of room types at the Inn for easier marketing and inventory efficiencies. A scheduling tool has been implemented to ensure adequate staffing levels based on projected guest arrivals, departures, and stayovers. The guest bath amenity upgrades are underway. Signature Sales Training is being planned for the front office team.

Phil shared current market statistics for Cannon Beach; occupancy is down in the area for first quarter compared to prior year by as much as 18%. Phil answered questions about the room type/inventory changes and what the new revenue manager will be doing. Doug and Phil answered questions about lodging tax issues.

### **Old Business**

#### **FDIC Account Updates**

Daniel reported about the Fidelity Investment accounts, which require specific documentation for set up to comply with regulatory rules for the LLC. Fidelity accounts are insured by Lloyds of London with competitive interest.

#### **HomeStreet Bank – Sweep Accounts**

Doug shared background on the services, transfers, and other banking transactions at HomeStreet Bank. In the sweep accounts there are options for participation with specific banks.

### **New Business**

None to report.

### **Announcements**

#### **Board Meeting Schedule**

Wednesday April 19<sup>th</sup>, 2023 – as needed based on insurance renewals – via Zoom

Monday May 22<sup>nd</sup>, 2023 – **On Site**

June-August – No Meetings

Thursday September 28<sup>th</sup>, 2023 via Zoom

Monday October 23<sup>rd</sup>, 2023 – **On Site**

Tuesday November 21<sup>st</sup>, 2023 – Budget Meeting via Zoom

Saturday December 9<sup>th</sup>, 2023 – Embassy Suites Washington Square

Wednesday January 3<sup>rd</sup>, 2024 – Budget Meeting via Zoom

Saturday February 3<sup>rd</sup>, 2024 – Annual Meeting

### **Adjournment**

There being no further business, Chairman Casey adjourned the meeting at 6:50 PM.

*Minutes transcribed by Jennifer Rice-Borgerson for Debbi Stone, Board Secretary.*