

**PARADISE ISLAND BEACH CLUB**

**ANNUAL GENERAL MEETING**

**THURSDAY NOVEMBER 3rd, 2022**

The meeting was held via zoom as well as in person in the Meeting Room. Anthony Knowles called the meeting to order at 4:08pm.

**Introductions**

Anthony Knowles welcomed all attendees who were in person and on Zoom.

Present Management Committee members at the Club were

* Mike Patoka – Founder Member / Appointed
* Robert Groff – Founder Member / Appointed
* Patrick Delaney – Member Representative / Elected
* Anthony Knowles – General Manager
* Monica Berckes – Member Representative - Elected / Marketing Director

**Participating via Zoom was Chairman Mr. Jim Martens**

The following is a list of Members present in the zoom meeting and number of weeks owned:

|  |  |
| --- | --- |
| **Name**  | **Number of Weeks** |
| Sharon Taylor | 1 |
| Robert & Anita McDonald | 1 |
| Leonard Arguello | 1 |
| Vicki Gilgor | 2 |
| Phillip Rudolph | 5 |
| Denise Marchese | 2 |
| Gordon Wright | 3 |
| David Rice | 14 |
| Andrew Banger | 3 |
| Anthony Masse | 2 |
| Judith Gordon | 1 |
| John Mohn | 4 |
| Andrew Brooks | 1 |
| C. Baars & Margo Bultman | 3 |
|  |  |

The following is a list of Members present in the meeting room as best we can identify and number of weeks owned:

|  |  |
| --- | --- |
| **Name**  | **Number of Weeks** |
| Rebecca Queen | 4 |
| Rodney & Joan Stein | 4 |
| Carol Patoka | 1 |
| Mary Barrows | 3 |
| Sandra Chapman | 2 |
| Harvey Snyder | 1 |
| Laurie Teich | 1 |
| Heidi Gelzer | 2 |
| Dr. Egmond Frommelt | 5 |
| Julian D’Agostine | 3 |
| Paul & Elfreide Wirth | 4 |
| Michael Quinn | 3 |
| Alanah Santiago | 5 |
| Edward Mortimore | 2 |
|  |  |

Mr. Knowles presented the motion to accept the Meeting Agenda.

* Michael Patoka makes the motion.
* Anthony “Tony” Masse seconds the motion.

Mr. Knowles also present the motion to accept the 2021 AGM Minutes

* Patrick Delaney made the motion to accept.
* Monica Berckes seconded the motion.

**CHAIRMAN’S REMARKS**

**Presented by Mike Patoka on behalf of Chairman Mr. Jim Martens.**

I'd like to make some general comments on the Management Committee and the Management Committee Chairman, Mr. Jim Martens. Jim is the Chairman, as Tony has said. He has been on PIBC’s Management Committee for a number of years, somewhere between 12 and 15. And I really have to tell you that we have now, including Jim, probably the hardest working most dedicated committee that I have been associated with. As outlined in the 1995 constitution, we have committee members as Tony said: Bob Groff and I, we have two elected members, Patrick Delaney, who is up for election this year and Monica Berckes who will be up for election next year. Elected members serve two terms.

First of all, I thank General Manager Tony Knowles and I started to say he’s doing an absolutely incredible job keeping track of the aging property and as you know, the first members started here in 1984 with actually the units finishing in 1982. So we're a property that is close to 40 years old. Staff of supervisors includes Gloria Matthews in Accounts, Derek Rolle our Maintenance Supervisor, Carol Arnett Housekeeping Supervisor, Denise Moore Front Desk Manager, Nancy Knowles Pool Bar Manager and of course every single employee that we have. We have great staff here as you all know. To summarize, the organization wishes to thank every one of you in this room and every one of you for the support that you give us including the support that you give the Pool Bar.

I will address financials in just a little while and give you some facts, figures percentage wise that will tell you how we are doing and what we see going forward that we're facing this year.

I just want to conclude the Chairman's remarks by again thanking a terrific Management Committee, thanking all of you as members and owners for everything that you give us.

So with that I will make a motion that we accept the Meeting Agenda and then I would make a motion that we accept the 2021 minutes, which are posted throughout the property as well as on the website.

The Motion was accepted by Mr. Patrick Delaney and Seconded by Mr. Edward Mortimore. All in favor.

I will now turn the meeting over to our General Manager Mr. Tony Knowles.

**MANAGER’S REPORT**

The New Year came in with Covid-19 still with us and all its protocols. Not to mention all the testing and hassle of filling out the health visas. I'm as happy as all of you are that it's all behind us. At least we hope that it is. Things really didn't begin changing until around April of this year, so most of our winter owners were still impacted, especially our Canadian members.

Some of the challenges that we were experiencing and are still experiencing today is the ability to purchase items that we need. They're extremely hard to locate, not to mention the delay and increase cost. Some of these items are:

* Towels
* Computers
* TVs
* Paint
* Remote controls
* Basically anything with an LCD panel

In June we lost the main electrical component for our telephone system; despite numerous purveyors searching for it including BTC, our telecommunications provider, we could not locate panel. After exhausting all avenues, I had to contact the manufacturer which is MITEL, they referred us to one of their suppliers. They actually had to manufacture it for us because the part was not available. After paying for it, it took three months before we received it and had it installed which was just two weeks ago.

We had similar challenges with our ice machines and our laundry equipment for Housekeeping Department. We actually had to purchase two new ice machines because the main ice plants on the island also was having challenges.

During shut down, we could not locate the base paint on the colors of the interiors of our walls. The company tried to match the colors but could not because of the change in the base paint. So instead of just touching up certain walls we had no choice but to paint the entire villa. This was a huge additional expense. For blocks one and two, which are units one through twelve, we had roof and structural damages. Structural damage was our biggest challenge. We didn't know the extent of the damage until we made an inspection. This required the use of a jackhammer to expose the damage and called for us almost scaffolding the entire buildings on both blocks.

The other challenge was locating the right steel. Another huge challenge was finding skilled laborers. The Bahamas is currently happily experiencing an explosion in resort developments. We were hard pressed to find good help. We would see more of this in 2023 as the country continues to explode. We intended to tile some selected villas but roof repairs took precedence. We are confident that we have solved most of the roofing issues this year. The deck and paths to the seawall; the one where you come right out of the beach, right on the left was also reconstructed.

This deck was originally built back in 2008. It served us well. We replaced the wooden deck with a concrete deck minimizing the risk of exposure or someone tripping over an uneven board or a protruding screw; all these things can end and ruin a vacation. Our insurance adjusters recognized that we are always taking that extra step to reduce their risk of exposure and as a result we had a minimum premium increase. Many others cannot say the same. The insurance industry across the board saw some 15% - 25% increase in premiums.

Next year, we are focusing on the following:

* Tiling in some of the villas that require it most
* Awnings around our pools
* Assorted items in the villas such as bed skirts, linens and foot warmers.
* Most importantly, the running of fiber optic cable to the villas to improve our internet service and better TV programming

2022 was the first year that I was not optimistic on the income we would earn through re-sales and rentals. For those of you that took the opportunity to review the minutes of last year's AGM, you will see that I expressed my concern over this.

The reason that this aspect was in the minutes was that we were accommodating all of our members that were displaced in 2021. We didn’t think that the membership wanted another Interval week. Almost all of our default inventory in the first seven months was dedicated to those unfortunate members who for whatever reason could not join us. This is a perfect example of our commitment to serving you, our members. We reduced spending on marketing in the first six months due to the fact that we had no inventory to sell; why spend the money if we do not have anything to sell? However we still kept our presence in the marketplace so it would not take too much effort to ramp it up again when needed.

Special thanks go to Monica for heading up our marketing campaigns. Please give Monica a round of applause. Monica does a tremendous job for us, thank you Monica again. Monica will also shed more light on our marketing strategies during her presentation.

Mike during his contribution to the financials will give you the details on the income generated from re-sales and rentals. I can only say that they're incredible despite the challenges that we had. Re-sales strongly supported by new persons that will visit us. This comes in through a mix of exchangers and rentals. These persons when they visit us and have the opportunity to enjoy our beautiful resort make for an ideal target audience for Martha in hopes that they will become members. Martha is doing a tremendous job for us. Thank you Martha!

As I mentioned the reason I was not optimistic for 2022 rentals and re-sales is because we did not have the inventory to offer them especially for the first six or seven months. Despite all of these challenges we did very well. We have outpaced our budget for the past two consecutive years. I am confident that 2023 will be the same or even better than we can imagine. Due to Covid-19 this year unfortunately, we added to our default inventory. Today, we own just less than 500 total weeks. I realize that this seems high however we have seen higher. The highest number was in 2012. The club owned in excess of 800 weeks out of 2,200 total weeks. This represents almost 40% so we are not in unchartered waters. There is a difference however, we are better prepared. We have:

1. Hard wood kitchen cabinets
2. Most of our villas have been recently tiled
3. New bedroom furniture
4. Heated pools
5. Property management software system that is conducive to supporting rentals which is the direction we are heading
6. Keyless door locks with audit trails that some go back to the last six hundred entries
7. New safes with the same audit trails. These are in place to protect not only our guests but equally important, our staff.
8. We also invested heavily in standby power that automatically comes on about fifteen seconds after shut down
9. Housekeeping staff are almost on full time.

So we can easily transition into the hotel mode when the time comes. All of these items and systems make for an easy transition into a very strong rentals mode. For the first time, the club owns some quality inventory. What do I mean by this? We have inventory in high demand periods.

The online travel agencies such as Expedia and Bookings.com beg for high demand inventory, we can finally offer them some of those of weeks. One week in the high period in most cases can pay two weeks maintenance fees. Again Monica will expand on this during her presentation. The club like all hotels has to have a small percentage of inventory available in the event that something should go wrong, for example a roof leak, air-condition not working etc. The club needs around 200 weeks in support of this. Plus having around 200 weeks help to reduce our maintenance cost at shut down. We can get into those villas throughout the year and carry out desperate repairs. I'm not overly concerned over the amount of default weeks that we own. I'm actually excited about 2023. It will set the future for all rentals. I am working on re-obtaining our discounted deal with Atlantis for their Aqua-adventure Water Park. We cut this deal back in 2014 there about. We also gained the access to the golf course so all of our guests can enjoy the game of golf, no discounts though. This yielded huge numbers for us in rentals pre covid. I am optimistic that we will get that back. This would be a huge asset in boosting our rentals.

Again, it has been a pleasure serving all of you. I look forward to seeing things return back to normal in 2023. Your Management Committee along with my team and I are up to the challenge that the future presents. Thank all you.

**FINANCIAL REPORT**

**Michael Patoka**

I act as the financial person or as Jim Martins likes to call me, the treasurer. There is no official title but that's what I do. And as my lovely wife will tell you, I don't think the day goes by when I'm not looking at finances. And I think Tony would say that too sometimes to the point where Gloria Matthews, who's our accounting person, I think would like to kill me as she gets email after email after email. So please have confidence that finances are looked at daily by me. Within the past few days the Management Committee has approved our 2023 budget and we'll talk about that a little as I get to the end. Also, as Tony has said in some of his emails, the 2021 Audit Report has been sent out plus it is posted on the website and I advise you to take a look at it.

Now it's typical audit report reading. But if you're interested in the actual performance of the club from a professional standpoint, please read that. A little bit about 2022 from January through September, this is through September 30th. It's not through October because our chartered accountant Gloria and I haven't had a chance to rectify and reconcile everything yet. And since this is only the very beginning of November, that's pretty standard.

Non maintenance fee income and we'll talk about that a little bit more, is 53% above budget, largely due to income earned in default rental revenue, being 102% over budget and default resales being just about 50% over budget. I don't know how to thank Martha and Monica for the work that they've done and applause wouldn't be enough but I don't know where we would be without the two of them. It's just excellent.

I gave you those figures that are already not only ahead of budget for where we should be in September but we're way ahead of the budget for the entire year. So we're doing really well and that's going to get better.

**Net profit** is 61.6% ahead of the budget net profit. Even though we have had some major expense increases in property tax, Tony had mentioned a little bit of that.

**Real Property Tax** went up 67% for the Government.

**Business License** also went up drastically. And that's a topic which I'll address privately if anybody wants it. Business License went up a drastic 210%

We can also expect as the property ages of course our expenses to maintain the property will be going up.

**Maintenance**, a lot of that was due to the roof that Tony talked about that went up 43.5%.

**Total Expenses** Okay, so we can expect our maintenance cost to go higher as the property gets older, plus we are all getting older ourselves. With these major expense increases Total expensesare up 25% over the last year. That's not really bad when you consider things such as gas, inflation and all of that and the things that Tony mentioned that he has to go through to get material. Something as simple as a refrigerator which may have cost just for the numbers $500 three just years ago is now well over a thousand, it’s the way of the world. So we're doing very well in managing these expenses.

**Equity** some of you who are accounting students, equity is within 10% of last year; Equity, assets, liabilities, capital, within 10% of last year that's pretty darn good.

Now for the not so good news, 2022 uncollected maintenance fees, is $298,000 and change. That's a little bit more than last year, a little bit more by maybe 20 to $30,000. Any member that did not pay his/her 2022 Maintenance Fees will be sent to our collection agency, Cedar Financial. They do a wonderful job collecting our unpaid maintenance fees. In the past they've collected over $200,000 for us.

 They've collected about 25-30% of what we gave them. They've done an excellent. As of this moment and without defaulting any 2021 weeks we have a total of 361 defaulted weeks. And we'll take another hard look at this time last year we had 419 defaulted weeks.

 Martha does an amazing the job in re-sales. We are in the process of looking at the weeks that we're going default now for 2021 this will add 95 weeks to the default. We're still less than 500 weeks.

Tony mentioned a couple of years ago and Jim and I remember this very, very well. We were over 800 defaulted weeks, 800; we're going to be under 500.

On preparing the budget we estimated to collect maintenance fees for 1700 weeks and we're pretty confident we're going do that. We left a little slot in there for us so that if somebody defaults and Jim Martin's is very good at telling us you know, our membership is getting older so we have to account for that when we look at finances.

As at the end of September, we have collected 74% of 2023 maintenance fees. That's the exact same as last year. But we still have $582,000 to collect just to address something again that Tony addressed and that's the internet.

I can't think of one day when I haven't had somebody make a comment to me about the internet and we're all owners, we go through the same thing we have in our shutdown budget money allocated for fiber optic cable. We have in our shutdown budget, that's when we’re shut down the first two weeks in September and Tony goes ahead and does some projects, maintenance projects if you will, improvement projects that he's budgeted for. We have fiber optic cable in there. We're going to replace the awnings little, by little, by little. We don't have the money to go ahead and replace eighteen awnings, so we’re going do it little by little, over the next two, three years is what we expect. And last but not least, with the exception of one person who’s going to get $100 dollars a week maintenance fee increase, I’m kidding. But last thing I want to tell you is that with everything I just mentioned with the cost of everything going on, we monitor and we manage the maintenance fees so well that as of right now there will be no maintenance fee increase for 2023. Thank you.

**MARKETING REPORT**

**Monica Berckes**

Tony and Mike both touched a little bit on marketing. I'm going to go through a few slides so that it's not too long. My contact information is listed at the end if anybody has any follow up questions.

**Reservation overview**:

* 2022 reservations are closely approaching our pre-covid numbers.
* In September of this year, travel requirements were eliminated. No more health visa, no more testing.
* These are numbers again up to September. I expect that Q4 is going be the same if not better.
* In 2023 it's been talked about, we're going see a shift towards rentals to offset our defaulted weeks and the club's readiness to support this is going be priority number one.
* We can't afford to let one reservation slip through the cracks.
* The Company that is responsible of our Online Travel Agency is a Company called RedAwning, their out of California. They are responsible for distributing our inventory to all the major Online Travel Agencies, (OTA) these are companies such as Expedia, Hotels.com and Travelocity or any of these sites that help you book a vacation. Like Tony said, we're looking forward to giving them some quality inventory.
* We can charge twice the amount of maintenance from an owner to rental. So that's going to help us offset some of these default weeks that we're losing.
* As we move into 2023 we're going to ramp up. We're going to stick to mostly organic growth. We're going stick to digital and social media marketing, things that don't cost that much money but have big impact.
* And the good news is, these are things that I had been putting in behind the scenes already.
* Even though we shaped the budget now we can ramp up and be right back to where we were in 2019.
* Our main issue again was due to lack of inventory from the Management Committee, allowing the week give back program that we did, budgeted $85,000 we're actually at $150,000 to date which will only get better.

**Re-Sales**

* Re-sales are up.
* Martha like Mike mentioned already is doing an awesome job of selling to the renters and exchangers on property.
* Since we're entering into our last decade, I think the appeal is the short time commitment.
* So as we continue going on in our last decade, maybe some of the messaging changes, Martha and I are going to do a lot of collaboration together.
* We are going to brainstorm and think of ways that we can kind capture the inventory that we can’t afford to lose.

**Travel Trends**

I always like to cover just a couple travel trends and coming out of covid, I just think these few are kind of nice to know.

* The airlines have restored services.
* They're reporting operating seat capacity at plus or minus 2% depending on the airline. That's based on Nassau Paradise Island Promotion Board.
* People who are planning to travel in the next 12 months have travel spending intentions that are also up. Meaning they know that they're going to be spending more for flights, spending more for essentially everything.
* The cost of travel now is more substantial. It’s a more substantial barrier than covid 19 at current
* Near and long term travel intentions have increased people aren't really booking those last minute trips because they're more expensive. They are booking well in advance for cost savings.

**Marketing Breakdown**

* Our Search Engine Optimization (SEO) marketing, this is how we get all of the horses to the water to our website. We have a great gain of traffic to our website.
* Last year to this year we have an increase of almost 28% year over years
* We have gained a lot of subscribers. Our subscribers are so important because they're the most active engagers to our website.
* They might not book right away but they often come back and they will book. That's up almost 18% for over 2021.
* In 2022 we ran a full SEO audit and made some corrections, corrected deficiencies and realized successes so that we can capitalize on that in 2023.
* We have over 30,000 unique email subscribers. That's pretty big for a boutique resort. These are people that signed up to actually get emails from us.
* In 2022 we are seeing remarkable click to open rates.
* It's really great compared to 2021, the email open rates are at 15.74% and the industry average is below 5% ordinarily.

So our low hanging fruit continue to engage with us. This is our number five source of traffic to our site. Our email campaign is pretty significant.

**Social Media**

* Social media comes with everything to do with what I do behind the scenes, whether on Facebook or Instagram boosting posts; blog posts that are on our website that in turn reflect into new keywords, which makes it easier when people are searching for us to show up in the upward tiers in the abyss of Google.
* Social media and blogs, emails go out once a month.
* Blog post are made once a month. They're cross shared socially. And also that means all cylinders are working together and so social media is number eight to our site as for traffic and blogs for number seven.

**2023 Booking Expectations**

* We have increased our budget expectations for rentals and re-sales. Budget for rentals is $200,000. Budget for re-sales is $150,000.
* I'm optimistic that we will exceed that.
* How I foresee us getting to those numbers, 85% is going to come from our OTA Red Awning that I spoke about 10% is probably going come direct.
* So through Loretta, that's why we can't let a reservation slip through the cracks and our owners and exchangers, people that come, especially exchangers will also be part of those numbers.

So just closing points in 2023 we want to hit more targets like we did this year of having a hundred percent occupancy.

* We averaged 83% this year occupancy week over week for the year some weeks 100% occupancy.
* It is essential that we prioritize the inventory control as we head into next year.
* Owners please if you're not coming, it would really help if you tell us that you're not coming so the units don't sit empty. There's other ways that the resort can sort of make up to that.
* On the Facebook owner's page there’s a lot of persons swapping their weeks. That's important because the club still gets to see the occupancy rates high for our treasured owners.
* We cannot operate like condo on the water.
* We have to make sure we're operating more like a resort.
* They mention certain things like Wi-Fi, housekeeping, no brainer things because if I get the renters here, we don't want them to just come once we want them to come for the next 10 years.

If anybody has any follow ups after the meeting, feel free to reach out to an elected member. We’re here for you all so let us know if you need anything.

**ELECTION**

Two candidates participated in the elections process for the position of Committee Member. There were a total of 129 (75 online votes and 54 manual votes).

Mr. Groff congratulated Patrick Delaney on his second term.

Following are the nominees and voting results:

|  |  |  |
| --- | --- | --- |
| **Nominee** | **Online / Manual** | **Total** |
| Bruce Bryne | 12 / 5 | 17 |
| Patrick Delaney | 63 / 49 | 112 |

**Unfinished Business for 2021**

There is no unfinished business from 2021.

**New Business**

There is no new business.

**Recognition for Outstanding Staff**

Presented by Patrick Delaney

1. Shenique Deveaux – All around employee, great customer service.
2. Vallant Charlton – Houseman with tremendous work ethic, great team player.
3. Charlie Dieuseul – Jack of all trades in the Maintenance Department, great team player
4. Jessie Roberts – Significant improvement, charming, number one in sales at Pool Bar.
5. LaShonda Barry – Phenomenal at the Pool Bar now in training at the Front Desk.
6. Martha Smith – Can sell you a heater in the desert. All around person, very professional, go getter, great in Sales, fun person, keeps the guests entertained.

**Questions/Comments**

**Question**: Member asked if renters follow the same rules as owners. Also, are renters able to pay $50 extra to have more than six people in their unit?

**Response:** The Rules and Regulations apply to everyone. Generally for rentals we don't want more than four persons per room because six gets to be a bit much. We encourage them, to take another room if one is available.

**Question**: Member asked if the villas are being inspected for missing items, etc.

**Response:** Tony is required to inspect every single unit at least once a quarter. So yes they’re all inspected. In addition to that, when the housekeeping goes in, part of their job is to inspect for damage. In addition to that, when you go into your room you have checklists. Is this here, is that here? Is this damaged? Is that damaged? So there are at least three checks that I mentioned that are done to each unit constantly. Any damages reported by Housekeeping head to the Front Desk who will in turn process the card they have on file and we the contact the individual to let them know why it was processed.

**Member Comment**: We've survived a very unusual time in our existence and to be running a major resort, and management as a board, I have to say you guys have done an absolutely amazing job. You've kept top notch employees. This place is as nice as it's ever been. And I'm extremely proud of you here. Thank you.

***Question***: Member asked about staff salaries. Do they receive a raise every year?

**Response:** The answer to that question is yes and no. We recognize in terms of pay increases, which we just did this year for several employees with some pretty decent pay increases for the full times I believe. Unfortunately we can't do it for everybody. Wish we could. But in order to keep the club healthy and functioning, we have to be very, very careful with funds. One of the ways that we can recognize the employees of course is a bonus we call Christmas Bonus paid at Christmas time. We do not give everybody those. We gave a number of people, again pay increases this year.

**Question:** Do they get tips?

**Response**: Yes. Plus there are people that give. As mentioned, Jessie is the number one salesperson at Pool Bar. She'll get whatever the tips are and I think that's 15% she'll get that. So there are other ways to compensate people. Compensate them with tips at the bar with just a ton level of over time. Again instead of hiring people in Maintenance Department they get overtime. So that's how we compensate them.

**Additional Information about salaries**

**Mike Patoka**

As stated in the financial presentation, keep in mind the physical condition of the property and as was said earlier, it's the property that is aging and we have to put a ton of the money there. One of the ways that we're compensating in terms of additional money other than base salary is quite frankly we’re overdrawn, maintenance as an example, there is absolutely a boat load of overtime for maintenance. So we don't hire additional people. We will, probably this year we budgeted three people obviously for various departments but we compensate them by giving them as much overtime as we possibly can. One of the issues we've had was down at Pool Bar. We have three bartenders down there right now as you know, Johnny, Francine and of course Jessie and we used to have four, sometimes five. In order to give you those three people just mentioned, that didn't get 40 hours worth of work, not even close. But now we've cut back on the staffing and we've given these people the hours thus enabling them to make more money so that they can afford to survive in the land of the living. So do we give them absolute raises, no, but we compensate the employees.

My apologies, I neglected to say this in my presentation, the Pool Bar it’s over a $100,000 when compared to what we did last year in terms of sales and net profits is close to almost triple, Net Profit.

**Tony Knowles**

I just want to add, in reference to the standard for the salaries, we are at industry par, in some areas even a bit above and beyond that. Mike hit on Pool Bar, several people have moved on and we didn't find anyone, there’s an explosion of resorts and opportunities out there but we deliberately did not hire extra staff so that they could ramp up again the extra overtime so our existing employees are the beneficiaries.

So as the hotel side comes on, housekeepers would be coming on extra days and earning over time so we’re really looking forward to a tremendous 2023. It’s going to be transcending.

**BEACH BAR**

**Mike Patoka**:

We originally built the deck bar a number of years ago. The original purpose of that was for weddings, the whole deck itself. It was supposed to be for people traffic that would come down. And unfortunately on weekends when most traffic would be there public access gate next to us unfortunately on weekends and public holidays the gate is locked, it has nothing to do with the Paradise Island Beach Club. So we basically closed the Beach Bar. To support opening the Beach Bar will require the public access gate to be open on weekends. Opening the bar will also require additional staff, we have no control over when they open or close the beach access gate.

**Tony Knowles**:

Thank you Mike. To further add to the public access gate being open or not, the gate is open on weekdays but a lot of cab drivers don't want to bring their customers here and then to discover that the gate is locked, so they're not taking the chance. Most of the people that you see coming to the beach are either residents of Paradise Island, or locals and often times they bring their own drinks.

When the right opportunity presents itself, we’re going to jump all over that. However, I’m torn between places on the public access gate being a Bahamian I would love to know that it will always be accessible to members of the Club but I am concerned we may be seeing an explosion in cruise passengers visiting our beach in the near future due to the expected increase in cruise passenger visitors that will be visiting Nassau. We need to be very cautious, not to push something that could harm us later on. We could get so much traffic on our beach that it will change the dynamics of who we are. So I am pulling back on pushing us to opening the Beach Bar. I don’t want Beach Bar to be one of the main sources of our revenue.

We need to keep our identity as a boutique resort, sitting on a perfect beach. It is my opinion that the members would prefer that we approach them with our need for increased revenue and call for a maintenance fee increase instead of earning the money by opening the Beach Bar as a venue encouraging increased bodies on our beach. I think that I am right and our members would prefer it this way.

**Question:** Don’t you think that the bar next door and the market down there also have an effect on the restaurant and that bar?

**Tony Knowles**

No, not really. We actually need that to be successful. It's an added feature for the club. When we were faced with covid-19 and the restaurant wasn’t open and people didn't know where they would get drinks, they were a tremendous support, they’re under new management since January and I can only tell you that they're doing a tremendous job for us. We encourage you to support those guys. They have the right attitude. What you don't see in the store they will go out and shop for it for you and bring it to your villa.

So we need them to be successful. It's an amenity, sort of when you think about it. If you're down to the Pool Bar all day I know most of you all, you all are like my flock. You hit the beach early, you come out, you get your drinks, you come to the Pool Bar, you support, round about 3:30, 4 o'clock, you say okay you're going to take some time, freshen up, go out to dinner or begin cooking. Some go and buy something off the menu for dinner then you warm it up so you don’t have to cook. We’re seeing quite a number of you go next door it’s a change of scenery, rub shoulders with the locals and they’re also open later than we are at Pool Bar. They provide a little entertainment so it's a nice mix. Most of you use go to Viola’s, now I'm seeing a lot of Viola’s customers come this way. So it really is an asset for us and I haven't had one complaint since they took over in January.

**Mike Patoka**:

Let me add something to what Tony's saying. They pay us rent and we need that money. They pay the electricity. We worked out electricity percentage. They pay us thirty six thousand a year.

**Tony Knowles**:

Thank you, Mike. To add further to that, when they were transitioning in management, they were closed for about six weeks thereabouts and the club did not have the same feel. You needed water, you need a pin? Then it means going across the bridge and then you really felt the importance of having the little convenience store. We had a great convenience store when the club had it but with the change of the market scene, we just couldn't support it. Then they put the bar and grill on the side there that was so they could pay us also and in the meantime provide little services so thank you for that.

**Chairman’s Closing Remarks - Jim Martens**

I'd like to say great job committee. It’s been a very good meeting I recommend that you guys and all the people that are there go to the Pool Par after the meeting have a drink and enjoy yourselves. God bless you all. And great job!

**Mike Patoka**: Do we have final questions from the audience here? It’s about 5:25.

**Closing Remarks - Tony Knowles**

So for those of you on Zoom call we thank for joining us and to assist us in proper recording of the minutes and so that we can record that you did join and participate in the meeting for you to please send me an email and say, Tony, I was present in the meeting so it can be reflected our meeting minutes.

I am so happy to see so many of you join us online. One thing coming out of covid was Zoom and the ability to transmit these meetings. We've wanted to do this for so long and Zoom came up and we’re doing it. And so we’re having the best of both worlds there.

The other positive that came out of the Covid-19 pandemic, was the Club for the first time bulk deposited weeks with Interval International in the past would look at it as only earning the exchange fee of $200 Martha had a larger audience to target and instead of them spending just $200 with us, many of the exchangers said that they were desiring to vacation with us for so long, instead of just visiting us once they decided to become members of our club. Hence Martha had a great opportunity in re-sales that she eagerly embraced which converted to us having significant earnings in re-sales. So there’s some positives news and I think that we're going to be great. We really are. Like Mike said we're in good shape.

 I want to thank all of you for attending and please, if there are any comments that you have or an idea that may have had during this meeting please do not hesitate to share your ideas. It will help to improve upon our service.

My staff and I are all looking forward to serving all of you in the near future, we are all looking forward to a successful 2023.

Mike Patoka made the motion to adjourn the meeting.

Seconded by: Edward Mortimore

All in favor.

The meeting was adjourned at 5:38