

Kihei Akahi Timeshare Owners Association

Meeting Minutes: March 15, 2018



Call to Order - Paul Showstead-President (1305 CT)

Roll Call - Bill Feld-Secretary

Board Members in Attendance: Rose SooHoo, Paul Showstead, Susan Eisenberger, Mary Hyodo-Polk, Bill Feld, Ed Norcutt (Ed Logged into Meeting @ 1320 CT)

Management: Kayc Reed & Matt Tarasenko

Approval of Meeting Minutes - Dec 14, 2017

Motion to Approve: Susan

Second: Rose

Approved

Management Report - Matt Tarasenko

- Starting process to certify all fire extinguishers next week
- Lazy-Boy repairs are in process finally after many attempts to contact
- Financial Audit has been completed and all went smoothly
- Working on contacting owners with delinquent accounts (emails, phone, letters)
- There are approximately six owners who are unlikely to pay (>1yr in arrears)
- Received approval from Kihei Akahi for replacement sunshade design. All 4th floor unit sunshades will be replaced this year.
- Cabinets for D303 & D304 remodel have been ordered and paid
- Other bids are in process along with contractor insurance requirements
- Unit TV service have been upgraded to digital with access to hi-definition and more channel program options at no additional cost

- Buildings C and D painting has been completed. Hallway floors have not been painted. Exterior sidewalks have been painted. Parking lot areas will be resurfaced or replaced starting in May.
- Paul and Susan attended the Kihei Akahi meeting during their stay to represent KTOA

Treasurer Report - Ed Norcutt

- Audit finished without any exceptions. All clean and in excellent shape.
- Bank of Hawaii bank account balance = \$50K. Sweep account = \$308K
- Approx \$20K was placed into reserve account Dec 11, 2017. Total reserve account balance is \$120K.
- Approx \$66K received from assessment were transferred into reserves Mar 5 and slated for remodel work.
- Approx \$13K slated for misc. repairs
- Total cost of D305 remodel \$41,400.
- Roughly \$34K total outstanding in Accounts Receivable: \$10K from owners who have promised to pay or are making payments. About \$2K from owners who will be selling units or transferring ownership. Another \$11K have not attempted to pay or made contact in any way. Certified letters will be mailed out to these owners very soon. Finally, we have \$11K from owners who refuse to pay
- Considering high cost of foreclosure, prudent at this time to rent these weeks since KTOA has control of use.
- Very few units have been sold thru Hawaii Realty
- More success has come by rentals (2018 to date, approx. \$11K revenue)
- To date for 2018, we have written off \$17,330 to Bad Debt account for dues we will not receive from 9 owners on units that have been turned back to KTOA.
- CD (money market acct) for \$104,492.99 coming up for renewal on Mar 26.

Approval of Financial Report

Motion to Approve: Bill

Second: Rose

Approved

Old Business

1. Attorney Feedback on Booking and Unit Reservation Options
 - o We are not legally allowed to set aside weeks for booking exclusively by 1- and 2-week owners.
 - o We may legally limit #weeks each owner reserves (scrolling into the UNAVAILABLE weeks) at a single booking event
 - o We may legally rent units via Airbnb. We are set up to accept reservations June1 - Aug25 in 3rd floor 1-bed units for \$120/night.

2. Renovation and Remodel update
 - Plan to order supplies in advance to standardize and save time & cost.
 - Matt will help by ordering and delivering the items as required during construction
 - Searching for a general contractor yet to oversee the process
3. Effect of Unit sales/Rental policy
 - Several owners have sold their units rather than turn them over to KTOA which is very much appreciated
 - Unit sales have been slow, but rental has been favorable.
4. Send out notice on 2 weeks for \$1000 July-Aug 2018 promotion to owners via Constant Contact

Motion to Approve: Bill

Second: Mary

Approved

New Business

1. Reservation System and Computer Issues
 - System is not as automated as anticipated. Requires time and labor to monitor, change lockbox codes, send confirmations & manage inventory
 - Ripple effects from January crash due to limited memory include database corruption and functionality issues
 - While MZ support has been timely and effective, we are incurring costs for system repairs
 - It is difficult to know whether the root cause of these defects are from original design or memory loss/crash/corruption as a result of high usage.
 - Cannot test platform again to determine whether system is solid at peak usage until Jan 2019.
 - Kayc will send a list of website concerns to Bill
2. Nomination Committee
 - Per By-Laws, we are allowed to have a Nomination Committee
 - Filling open positions with motivated and well-informed candidates to enable the BOD to transition efficiently each year.
 - Process-oriented approach to identifying, vetting, orienting and communicating with all owners
 - Susan (chair) and Mary volunteered to work on this committee
3. Governance Committee
 - Review CC&Rs, By-Laws and policies, section by section, over the course of each year and report to board with suggestions/revisions.
 - Work to develop a Strategic Plan for KTOA
 - Bill (chair) and Susan volunteered to work this committee

Director Comments: Matt shared details on Airbnb reservation process, setup and fees. Board members are asked to please send ideas for how best to handle delinquent accounts in order to avoid aggravation, wasted time and costly foreclosures e.g. suggestion to offer owners pre-payment option rather than paying in one lump sum. Rough draft of Spring Newsletter is in process. Please send any suggestions for inclusion to Bill. Suggestion to send out a revised owner survey in the near future.

Next Meeting: Thurs April 26, 2018

Adjournment (1500 CT)

Motion to Approve - Ed

Second: Rose

Approved