

# Kihei Akahi Timeshare Owners Association

Meeting Minutes: March 19, 2019



**Call to Order** - Susan Eisenberger-President (1307 CT)

**Roll Call** - Bill Feld-Secretary

Board Members in Attendance: Paul Showstead, Mary Hyodo-Polk (Early depart @ 1425 CT), Susan Eisenberger, Ed Norcutt (Late 1330, Excused), Bill Feld, Mary Tsang, Rose Soo-Hoo.

Management: Rod Quam, Valerie Leon

**Review of Meeting Agenda**

**Discussion & Approval of Meeting Minutes - Jan 22, 2019**

(Suggestion to delete 3<sup>rd</sup> bullet point under Old Business/Renting Weeks)

Motion to Approve on Condition of Noted Exception: Paul

Second: Mary T.

Approved

**Formal Approval of Special Resolution re: Signing Officers**

- Rather than listing names and titles on KTOA documents requiring signature, have generic title "Signing Officer(s)"
- Email was previously sent to all BOD members for review prior to meeting

Motion to Approve: Paul

Second: Bill

Approved

### Treasurer Report - Paul Showstead

- Overall, looking very good at this time
- A/R still concerning, but not historically unusual for this time of the year
- All KTOA-owned weeks have been rented out (54)
- Cleaning and Maintenance expenses are higher but that was expected
- Excise Tax must be paid on all revenue at time it has been received
- Question whether storage fee should be listed as prepaid expense or accrued
- Question whether "bedding" should be operating expense vs. reserve account
- **ACTION ITEM - ROD:** Check with auditors to verify standard and proper accounting for bedding items (based on life cycle of item).

### Management Report - Rod Quam (See Report)

- Team is developing a rhythm having moved through the peak rental season
- Running close to budget on most items. Operating expenses are down overall.
- Some expenses due to building inventory on common-use items for each unit

### Old Business

#### 1. Update on Year-end Rollover

- o David @ MZ has been able to fix/de-bug issues with scrolling and login
- o Many owners are not following the procedures (David has simplified)
- o David will also be performing a reconciliation of carry-over weeks.
- o System is not properly reassigning cancelled weeks as "carry-over"
- o System improperly allows 2020 weeks to be used in 2019
- o Seems like reservation system is tightening up and running properly

#### 2. A/R and Late Payment Fees

- o No industry standard exists for determining late payment fees
- o The bigger the fine, the more effective the outcome
- o Suggestion: \$50/week if no payment by Dec 31 and \$50/week/month for each additional month delinquent
- o Payments are currently due on Dec 1, but grace period extends to Dec 10
- o If Maintenance Fee payments are received without payment of applicable late fee(s), owners will remain locked out
- o A lot of time is wasted by Quam reminding owners who are delinquent
- o Past process has been very soft and owners did not take policy seriously
- o **ACTION ITEM - SUSAN:** Send out email outlining Rod's late fee policy recommendation for BOD review/comment
- o Consideration also must be given to owners who have communicated - in advance of Dec 31<sup>st</sup> - and committed to a payment schedule.

#### 3. KTOA Rental of Weeks

- o Some weeks have been rented prior to 30-day OPEN policy (exceptions)
- o Policy needs to be updated and clarification given on "owned" weeks vs. weeks available for rent

- Owners are not using Classified listings to advertise their unused weeks
- **ACTION ITEM - SUSAN:** Send email to notify owners about the high demand for KTOA units and encourage them to use the Classifieds

#### 4. Carry-over Weeks

- Consensus among BOD via email is to allow weeks to be carried over for only one year (this is the current situation)
- Industry standard is to NOT allow carryover of weeks (use or lose)
- This policy is confusing to many owners and Quam receives a lot of calls on this subject.
- Valerie would appreciate some clarification (via email being sent out to owners as action item in 3. above)

#### 5. FAQ for Website (Email went out earlier)

- Mary & Mary asking for clarification on answer to Question# 10
- **ACTION ITEM - MARY T:** Send out revised FAQ listing again for BOD review and comments
- Add a Q&A regarding carry-over weeks to help prevent some of the phone calls to Quam
- Also need to prioritize questions so the most asked are closer to the beginning (Valerie feels our #1 is appropriate)

### New Business

#### 1. Renovation Proposal

- Alexander Design \$71,400 (all-inclusive)
- Been on site many times and is familiar with KA protocol
- Contractors on Maui are all very busy
- **ACTION ITEM - ROD:** Update bid to include the bathroom detail mentioned by Paul
- Quote is very similar (within 5%) to cost on prior remodel work

Motion to Approve: Bill

Second: Paul

Approved

#### 2. Reducing Doubtful Debt

- Waiting on letter from attorney to send to delinquent owners
- Probate process for owners to give weeks back to KTOA is not as expensive as previously thought (approx. \$300/transaction)
- We must encourage owners who want out of KTOA to complete this process so that we have clear title to these weeks
- We may want to consider probate expense on a certain number of weeks when budgeting for 2020.

#### 3. KTOA In-House Manual Update

- Looking for volunteers to organize and update information in all unit manuals
- **ACTION:** Mary T. and Rose volunteered to work on this project
- Quam (Rod & Valerie) are willing to assist

#### 4. Governance Committee

- **ACTION ITEM:** Governance Committee to Review Booking Protocol Update - Item 1 to include updated late fees based on BOD feedback and discussion outcome. Item 2 specify "weeks owned". Item 3 - Last sentence in #7 is not needed. Item 4 - #8 "...owners will be responsible for the negligence of their guests (RCI or otherwise).
- **ACTION ITEM:** Begin By-Law review, by section
- **ACTION ITEM:** Continuing with Strategic Plan next phase: Core Values

**Director Comments:** On the KTOA A/R list, owners who have RTU designation are over 90 days delinquent and, as a result, KTOA has the right to use those weeks as rentals even though we do not have clear title of ownership. Consensus is that 2019 will be the final year for offering 2 weeks/\$1000 off-peak promotion for as long as demand remains strong. Quam stocks batteries of many types for the units (smoke alarms/remote controls etc...)

**Next Meeting:** Tues May 21, 2019 @ 1300 CT (1100 PT/0800HT)

**Adjournment (1431 CT)**

Motion to Adjourn: Ed

Second: Mary T.

Meeting Adjourned