

# Kihei Akahi Timeshare Owners Association

Meeting Minutes: July 22, 2019



**Call to Order** - Susan Eisenberger-President (1302 CT)

**Roll Call** - Bill Feld-Secretary

Board Members in Attendance: Paul Showstead, Susan Eisenberger, Ed Norcutt, Bill Feld.

Board Members Absent: Mary Hyodo-Polk, Mary Tsang, Rose Soo-Hoo

Management: Rod Quam, Valerie Leon, Lysa Tracy (Director for Associations), Derek McClellan (Property Manager)

**Review of Meeting Agenda** - No changes

**Discussion & Approval of Meeting Minutes** - May 21, 2019

Motion to Approve: Ed

Second: Paul

Approved

**Treasurer Report** - Paul Showstead

- We are at half-way point for the year with budget
- Expenses:
  - o Cleaning expenses are greater than 50% of what was budgeted
  - o Computer fees are approaching what was budgeted for entire year
  - o Audit expense not accrued according to budget (accrual basis)
  - o Property Taxes also not accrued for the full 6 months.

- Property Management expense is on target
- Income:
  - Revenue numbers listed are misleading due to accrual accounting
  - Bottom line is not looking as strong as what it appears for June
  - Trend is not showing favorable for end of year
  - Most KTOA-owned unit weeks were rented to KTOA owners
- Audit:
  - Ended up \$28,695K ahead in 2018
  - Extra revenue rolls over to Reserve Account (per AGM motion)
  - Quam has made monthly deposits into Reserves rather than in one lump sum due to transition & uncertainty with ongoing unit upgrades.
  - Once money has been transferred into Reserves, it cannot be transferred out and used for operating expenses.
  - Removing money that Quam has deposited monthly out of Reserves is a reversal of an accounting error and will not count as a withdrawal.
  - Approx. \$15K spent so far for unit improvements (appliances/sheets & linens/mattresses/TVs etc...)
  - Suggestion to leave excess from 2018 in general account until end of the budget cycle since revenue is projected to be tight for 2019.
  - End of year carryover resolution alleviates KTOA from short-term tax consequences.
  - Quam will work closely with auditors to determine if/when there are impending tax implications

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

- Renovations are progressing nicely. Rod will send photos.
- Nothing to report on unit rentals and classifieds
- Some owners are transferring units back to KTOA
- Most of the KTOA unit sales are owner-to-owner

#### **Old Business**

1. Cross-booking between 1-bed & 2-bed owners
  - Attorney stated that according to KTOA covenants, 1-Bed owners are only allowed to book 1-Bed units and same with D302 (2-Bed) owners
  - No cross-booking is allowed unless the CC&Rs are amended.
2. Revised Booking Protocol
  - More revisions are necessary due to attorney's review on cross-booking
  - **ACTION** - Bill will revise and send out ahead of next meeting
3. FAQ for KTOA Website
  - Committee members absent again so discussion tabled until next meeting.

4. KTOA Unit Manual Information Update
  - Want to review in each unit to ensure relevant and consistent
  - **ACTION** - Susan will review next time she is on Maui

### **New Business**

1. AGM and Call for Nominations
  - Paul, Susan, Rose and Bill up for re-election
  - Notice was sent to owners via Constant Contact
  - Hard mailing goes out first week of August and another email blast will be sent out as well
2. Review conference call platform
  - Arkadin/Accuconference very expensive
  - **ACTION:** Rod and Susan are reviewing options
3. Governance Committee
  - **ACTION ITEM:** Begin By-Law review, by section
  - **ACTION ITEM:** Continuing with Strategic Plan: Vision Themes

**General Comments/Discussion:** Need to be proactive in blocking off KTOA-owned units for 2020 season to reserve for rentals. Will not offer 2-for-1 weeks promotion in 2020. AGM meeting on Saturday, Sept 14<sup>th</sup> @ 1300 CT.

**Next Meeting:** Thurs Sept 5, 2019 @ 1300 CT (1100 PT/0800HT)

**Adjournment (1407 CT)**

Motion to Adjourn: Ed

Second: Bill

Meeting Adjourned