

**Kimball (KCOA) 2018
Annual Meeting
150 N Main St. Salt Lake City, UT
Kimball Coffee Lounge
Wednesday, September 5th, 2018
1:00 PM**

Meeting called to order at 1:00 pm by meeting President Katherine Hawkins in The Business~Coffee Lounge onsite at The Kimball.

Board Members Present:

President Katherine Hawkins

Robert (Bob) Yeates

Mike Bartholomew

Lon Hurst

Invited Guests:

Michael Stevens

Lisa Harrison

Owners Present Signed In

Welcome by Katherine Hawkins

Katherine introduced herself and asked the rest of the Board and Management to do the same.

BUSINESS

Proxy Votes & Board Discussion

Candidate for the Board, J. Michael Stevens, an owner.

Voting Results

Katherine Hawkins verified that all present had voted then closed the voting. Proxies and those present constituted a quorum.

RESULTS: .01% for McFadden and 99.9% for J. Michael Stevens.

2018-2019 Budget

Mike presented the financials and stated the fiscal year runs from October 1st to September 30. The books are updated through August 2018. The last month is a pro rata estimate.

KCOA dues and non-dues revenue were covered. We anticipate some write-offs due to bad debt. This year it was lower than expected at \$12k. A refined internal collections system has reduced this loss from past years that ran \$20k to \$30k.

An Owner asked about non-payers. Mike respond a series of letters and phone calls are sent followed by a certified demand letter. The remaining delinquent accounts are referred to Counsel who processes them as a "bulk foreclosure." This same owner asked about WUOs dues and another inquired about cost of operations. Mike said WUOs dues cover operations and are based on usage and volume of activity. A separate Reserve account is maintained for TS & WUO entities.

TS receipts dues are up 3% because of sales. All other income was discussed including bonus time, website/call-in, interest income, cleaning fees.

An Owner mentioned a different timeshare he owned converted extra inventory to a whole unit and sold it as a condominium. Management explained that all Kimball units are deeded property and with common area. We would need to look at the benefit of selling one WUO unit vs income generated from those weeks over the long term.

Question about sanctions for delinquent owners. Management stated that a reservations block is placed on the account stopping all use until resolution: payment or foreclosure.

Mike said foreclosure inventory offers KCOA the ability to generate extra income for operations and reserves. We anticipate closing the year \$30k higher than last year.

Wages make up about 50% of the budget and are plus \$20k. This is primarily due to the software and reservations overhaul, duplication at the front desk for training and cross training and administration (front desk admin staff only) working with our new provider. All increases in wages are either in the front desk or housekeeping categories.

A question arose regarding if admin can respond quickly to hiring and other needs to meet and adjust goals. Management has authority to respond quickly to changes, hire, and do what is needed. Management meets every month or two with a board member to review, inform and update. This is in addition to normal board meetings. The Board also receives email updates throughout the year. Management is full service in every way and runs all aspects of the operation under board approval.

A WUO asked about the requirement to provide proof of insurance on WUO's and privacy concerns stating they have not seen this in other HOAs. Management explained that other HOAs, including us, do require this. The HOA is obligated to inform owners about potential gaps in coverage for WUO's. The declarations sheet is all that is needed.

An Owner asked about the ability for Owners to book online. Management responded that it will take a while to integrate this inside our new software program, although we are capable of that. Cost/benefit of offering this needs to be considered. Taking payments online is something we may not offer due to the expense of credit card fees. We prefer our owners write a check and help save the HOA money that way, although CC's will always be offered as a form of payment.

An owner suggested charging a processing fee. Management said we have considered this as an option and may still. Discussions will continue.

An owner asked why no money was spend in the "Marketing Fee" category of the budget. Mike responded that they were absorbed in other areas (wages) and not spent as a line item.

An owner asked about an exterior sign for marketing purposes. Management explained we have looked at doing that. The advantage of a sign for marketing is minimal considering our location. There is a question about the appearance of a large sign on or against the property. Still, something may be considered down the road.

An owner asked about our online ratings. The Kimball is always at or above our competitions rating levels. 8.0 and higher, considered "Excellent" in the ratings and are comparable to Little America and other newer downtown properties.

Mike finished covering the budget. Capital improvements were budgeted at \$150k, but we pushed a few capital projects off like HVAC phase III. This year we will budget \$115k to include room upgrades, new carpet, boiler repairs and maintenance, plus one of the following: HVAC III, Carport, Patio or Brick Repointing.

The end of this fiscal year looks positive with a rollover around \$86K. This includes approximately 74K reimbursements to operations from Reserves.

An Owner asked about capital reserves. We have approximately 190K with the current rollover. The Board and Management work towards keeping Reserves in the six-figure range and climbing year-to-year when possible.

MOTION: Katherine made a motion to rollover all net income for FY 2017-2018.

RESOLVE: All board members and owners present voted in favor of a rollover of the net excess from 2017-2018. Verbal seconds from two other owners.

MOTION: Katherine made a motion to Adopt FY 2018-2019 budget as presented.

RESOLVE: All board members and owners present voted to adopt the budget.

Management Covered Projects:

The possibility of a car port was brought up. The car port would be on the south side of the parking lot only, would not eliminate parking spaces, would be heated and well lit.

Conversion to CenturyLink Fiber for WiFi and the expense we saved from the negotiation efforts of the Management Company was substantial. Installation dollars were waived during that process. There is a possibility that WUOs could be offered a direct connection if there were enough owners interested.

An owner asked about security in the parking lot and if there are many break-ins. Management stated that there have been no break-ins to the building but a few parking lot incidents during the last 8 years. Nothing serious. The entire parking lot is lit from front to back, a new motion light on the rear building has already been installed and our security camera system is being upgraded to HD.

Shed South major redo: cement landing and a covered roof extension was done last year. This year we replaced several brick courses, reinforced header, some new electrical, pre-hung door, new flooring surface, three older window openings were removed, insulated and redone, motion light, installed shelving and the entire project was repainted and reinforced.

Retaining wall—new top bricks sourced and will be installed.

Roof was recently assessed, and we have 8-10 more years with good care and possible interim recoats.

We are continuing to replace queen beds with king beds and some new furniture. An owner asked what we do with the old furniture. Katherine explained that we donate to The Inn Between and to Habitat. Occasionally to local shelters with furnishings, linens, kitchenware, and more. Lon said both KCOA and the Management Company financially contribute directly to The Inn Between.

Screens are now installed on the 4th floor and the 3rd floor is being readied. The topic of bats and bees were covered. There is a minor seasonal issue with both where screens will help.

Staff is repainting exterior window sills on the window bases on most floors and the foundation of the building. We will continue this while the weather permits.

Repainting may start up again this year or the Spring afterwards depending on project priorities.

We will continue to refresh our rooms. Online ratings reflect that we are dated, but our staff, cleanliness, and location keep our ratings high.

Meeting Adjourned 1:50 pm.