

# The Kimball Condominiums

Board of Directors' Meeting  
August 15, 2018 ~ 1:00 pm  
Coffee Lounge

Meeting called to order at 1:00 pm by Board president Katherine Hawkins.

Members present:

President Katherine Hawkins

Robert (Bob) Yeates

Mike Bartholomew

Lon Hurst

Management Co.

Lisa Harrison (remotely)

Reading of Agenda

Agenda for the meeting approved without modification.

Approval of Minutes

Motion: To approve the minutes from the May 19, 2017 meeting and the Board Update of December 2, 2017.

Vote: Motion carried.

Resolve: Minutes from the meeting on May 19, 2017 meeting and the Board Update of December 2, 2017 approved without modification.

## **BUSINESS**

Binder with pictures of all projects completed to date for this fiscal year along with a small sample of daily communications between staff and management/owners/vendors was passed around.

### **RDP, Expenses & Budget**

Lon Hurst opened the meeting with an update on RDP and the software conversion from TimeshareWare (TSW) that happened in February 2018. Total cost came in around \$15k to \$20k. The employee who was the point person for this project is no longer with The Kimball. As a result, much of RDP training has had to be redone with new staff. It has taken a lot of time this year and affected the overall budget for payroll.

We opted to retain TSW for access to owner notes and other historical reservation data that couldn't be migrated over to RDP. That history is critical. The need to retain documented interaction between owners' guests and KCOA assists Management in current operations.

## **RDP & Revenue**

Before RDP, KCOA and WUO inventory available for rentals was a tedious and error-prone manual process in TSW and occasionally created overbooking and or loss of Revenue. RDP is automated so WUO rooms, KCOA owned weeks and rates are automatically updated for online bookings. With automation we can maximize revenue opportunities. RDP also helps to track Timeshare owner use vs. rental inventory to ensure we are taking care of our Owners while maximizing our revenue and assuring proper timeshare availability.

## **Staff**

Front Desk—There are a few new faces at the Front Desk replacing others not meeting standards. Retraining is costly but necessary. We currently have a professional and capable front desk team with broader skills for special projects and cross-department training in housekeeping and maintenance.

Housekeeping—Since early summer Salt Lake has experienced a housekeeping shortage. We were losing housekeepers to other hotels that were offering better packages than they had in the past. Co-Supervisors were given a healthy raise and put on salaries requiring greater accountability. We expect improved efficiency and the ability to track room cleaning times and costs on tablets built into our new RDP Software System.

Maintenance— ongoing plans for general maintenance and staffing over time was discussed. We are adding significant hours per week for a part-time employee who is a true Craftsman. A shift in budget numbers will result. The tradeoff will be a significant number of projects both cosmetic and structural will be completed in lieu of other capital improvement projects. The former would have to be farmed out at a much higher rate elsewhere. A good Exchange all the way around.

## **Fiber Wi-Fi**

Lon stated that 1.5 years ago a contract was signed with Century Link to convert our building to fiber. This contract was negotiated by The Management Company. During implementation, Century Links Engineering contractor put the project on hold saying asking for \$30-\$40k, later reduced to 22k to complete Management disagreed and It escalated to legal (theirs not ours) Between legal and marketing a demand was made for short-term resolution (they were given five days) The result is a 500 Mbps fiber connection at zero installation cost and a happy monthly fee.

New access points were added along with upgraded equipment at 7 access points. We are using in-house personnel for much of the new equipment programming, set up and monitoring.

## **Budget**

Mike reviewed the budget. We assessed over \$607k in Timeshare Dues, which included a 2% cost-of-living increase over last year's dues. Bad debt is at an all-time low thanks to the Management Company and staff. Rental income exceeds budget in most areas. This will be closely monitored over this next fiscal year. Kimball Website reservation are tracked separately from call-in reservations going forward. Salary and wages are over budget by about \$20k. All of that is staff employees.

RDP conversion, training new employees, wage increases, and increased occupancy. Wages are our biggest expense, but wages overall are only 2% over budget. We will continue to tighten up here where we can.

Operating expenses are very good. Utilities are down by \$5k. This has happened year over year due to HVAC efficiencies which affect water flow, gas, and electricity. Insurance is up for renewal and may go up, but we don't know yet, so the budget item remains the same. Credit card fees are much lower now, thanks Lisa.

Capital expenses are down, and we are conservative with \$115k (amended to 90K) budgeted for next year. This could include a number of projects depending on how the budget unfolds over the year. Room upgrades will continue, new carpet, boiler repairs and maintenance and one of the following: HVAC III, Carport, Patio or Brick Repointing. The end of this fiscal year looks positive with a rollover expected of around \$86K. This includes approximately 74K reimbursements to operations from Reserves.

## **Projects**

*Management reviewed the projects listed below with the Board that are completed, pending or future.*

### ***Complete - Talking Points***

- 1) WUO Rental Unit – Complete Assessment and Standardization of 225 & 329 & Contract Tightened
- 2) HSKPG Boiler & Tank
- 3) 1st Floor Wall Repair
- 4) Spa Resurfacing
- 5) Vending Machines
- 6) Dining Sets in 5 One Bedroom Units (the only ones needing replacements)
- 7) Recliner chairs replaced in all 9 Studio units.
- 8) 3 Queen to King Upgraded + Some furniture (439, 443, 555)
- 9) All twin mattresses replaced
- 10) Lobby Carpet-Expansion to Landings
- 11) Shed South (cement landing, covered roof extension, last year) Summer 18' reinforcing Structure. Function and Cosmetics. NOW COMPLETE.

### ***In-Progress***

- 1) More new beds, bedroom furniture and kings.
- 2) General room maintenance & improvements. Carpet, cement, other furniture, appliance buildouts, cabinet replacements.
- 3) WUO Rents – Assessment and Standardization.

### ***Pending***

- 1) Website changes. RDP interconnect. Rerouting (commission), bill pay & owner online accounts/payments. AVAILABLE NOW.
- 2) Xeriscaping + Main Street Update, Redo Grass East of Elevator
- 3) Screens—4<sup>th</sup> floor now complete. 3<sup>rd</sup> floor next.
- 4) Repointing III for North/East/West – Spring 2019 or 2020.
  - 4b) Exterior building Sills, in house. NOW on Southside.
- 5) HVAC Phase III and/or final removal 80% of old systems, electrical, R-22, Roof breaches and reroofing spaces.
- 6) Main Street Patio / Elect from Building (WIFI in Park)
- 7) More Carpet / Landings / Halls
- 8) Continue with Rooms

### ***A Little Further Out***

- 1) Window Replacements, holding with repairs.
- 3) Repoint IV
- 4) Coin-op laundry.

Meeting adjourned 3:30 pm