

Maid & Linen Cost Recovery Options

- Overview of impact of 2017 Cleaning changes
 - Linens & Amenities costs were absorbed by the association effectively giving cleaners a raise.
 - Action created “stranded” costs.

Maid & Linen Cost Recovery Options

- Overview of impact of 2017 Cleaning changes
 - New arrangement stopped the losses 100% as of 5/30 (special thanks to Daniel and Sharon)
 - This effort looks at Jan – May “stranded” cost recovery options.

Maid & Linen Cost Recovery Options

- Verification of actual overage ?
 - From new expenses incurred in 2017 (amenities and linens)
 - One time Palm Coast payment \$7.5k
 - Bills from Palm Coast & Clean Step \$8.8k
 - Amenities show less than \$300 in 751 ?
 - Indicates \$16.3k upper
 - Does not align with prediction but is traceable.

Maid & Linen Cost Recovery Options

- How to assess the \$16.3k
- Option 1
 - Straight to the (73) RP members
 - \$223
 - This does not account for high renters
 - Most of the time was high occupancy but a few RP members who owner occupy in high season take a hit.

Deemed Inequitable

Maid & Linen Recovery Options

- How to assess the suggest \$16.3k
- Option 2
 - The \$7553 straight
 - \$103 (could stop here)
 - With an additional per rental charge of
 - \$15
 - Slight skew between one and two BRs but the two BRs is where Maid to Clean was most likely to “under” change linen

Deemed Inequitable

Maid & Linen Cost Recovery Options

- Rental Committee wanted more granularity
 - Request adjustment of start up costs for 1,2, and 3BR
 - Request adjustment of cleaning costs for 1,2, and 3BR

Maid & Linen Cost Recovery Options

- Options
 - #1 Flat \$223
 - #2 Flat \$103 + 15 per rental
 - Max \$328 Min \$118
 - #3 New Option 3 by Bedroom Flat + Rental
 - Max \$465 Min \$102
- Disclosure
 - Kitchen Hand and Drying Towels
 - 1 BRs with more than 2 and TBRs with more than 4

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Backup

Maid & Linen Cost Recovery Options

- Maids & Linen (751) Budget Overages
 - Total YTD (751 account)

751 Maids & Linen Service		
Jan - May	Jan - May	
2016	2017	Delta
\$62,742	\$84,193	\$21,450

- \$21.4k apparent overage from 2016 ytd
- Predicted overage ytd
 - \$7553 from one time start up charge to Palm Coast
 - \$16784 from linen cleaning charges
 - \$24.3k total

Maid & Linen Cost Recovery Options

- Attempt at verification of actual overage ?
 - **Method 1** from year over year comparison
 - Common area cleaning billed to 751 in error \$9.1k error
 - Reduces overage from 2016 ytd to \$12.3
 - Indicates \$**12.3k upper incurred**.
 - No alignment with prediction of \$24.3
 - Unknown if further skewed by common area cleaning hitting 751 in 2016?

Maid & Linen Cost Recovery Options

- Attempt at verification of actual overage ?
 - **Method 2** from new expenses incurred in 2017 (amenities and linens)
 - One time Palm Coast payment \$7.5k
 - Bills from Palm Coast & Clean Step \$8.8k
 - Amenities show less than \$300 in 751 ?
 - **Indicates \$16.3k upper**
 - Does not align with prediction but is traceable.

Maid & Linen Cost Recovery Options

- Errors ?
 - Known
 - Common area cleaning billed to wrong account.
 - Assumed
 - Amenities hitting house elsewhere
 - Palm Coast under utilized from prediction
 - Maid 2 Clean leaving linens that looked clean reduced actual number of items cleaned and billed

Maid & Linen Cost Recovery Options

- Summary
 - Method 2 collects the true changes to the RP cost minus the amenities.
 - Jennie had identified the errors in coding and additional errors that she found also. Better visibility should correct in future. Jennie is listing expenses to accounts

Maid & Linen Cost Recovery Options

- Summary
 - Simplest option with slight edge to the rental accounts is the \$16.3k
 - May not account for amenities
 - Could be simplified further by only assessing \$7.5k start up costs.

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