

**KAHANA FALLS  
ASSOCIATION OF APARTMENT OWNERS (AOAO)  
AND  
INTERVAL OWNERS ASSOCIATION (IOA)  
COMBINED BOARD OF DIRECTORS MEETING  
KAHANA FALLS RESORT**

**WEDNESDAY, MARCH 22, 2017; 1:00 P.M. (HST)**

**MINUTES**

**I. CALL TO ORDER / ROLL CALL**

The meeting was called to order by AOA/IOA President Richard Roll at 1:47 p.m. (HST). Those in attendance were:

**AOAO Board Members Present**

Richard Roll	President ( <i>via telephone</i> )
Milton Jantzen	Vice President
Katherine Ivey	Secretary
Jesse Arman	Treasurer
Karen Cornwell	Director
Kevin Ramage	Director
Martin Hewitt	Director

**IOA Board Members Present**

Richard Roll	President ( <i>via telephone</i> )
Milton Jantzen	Vice President
Katherine Ivey	Secretary
Jesse Arman	Treasurer
Karen Cornwell	Director
Kevin Ramage	Director
Martin Hewitt	Director

**Management Present**

Joanne Hallert	Director of Resort Operations
Suzie Moore	Resort General Manager
Kristen Makinen	Administrative Assistant

**Guests**

Don and Glendia Bridenbough (*owners*)

## **II. APPROVAL OF AGENDA**

Richard Roll asked to add a discussion of his health issues which had prevented him from attending the meeting in person.

*A motion to accept the agenda as amended was made by Richard Roll, seconded by Jesse Arman and approved.*

Mr. Roll briefly updated the board on his medical condition and stated that he believed he would be able to travel to the September meetings in California. The board conveyed their support and appreciation for Mr. Roll.

## **III. APPROVAL OF MINUTES**

Upon review of the minutes of the September 20, 2016 meeting, a minor wording change was agreed upon.

*A motion was made by Richard Roll, seconded by Martin Hewitt and passed, to approve the minutes of the September 20, 2016 meeting as amended.*

## **IV. REPORTS**

### **MANAGEMENT REPORTS**

#### **Action Items/Ongoing Activities**

The board reviewed and discussed the action item list.

The board discussed the eblast sent offering owners, friends or family the ability to acquire additional weeks. They requested another eblast be sent with a different subject line as many of them had misinterpreted the email as a TPI advertisement.

#### **On-Site Management Report**

The board reviewed and discussed the onsite management report.

Suzie Moore presented her report, noting that the pool temperature had been increased by a few degrees for the winter months.

#### **Occupancy Report**

The board reviewed and discussed the occupancy reports.

The board requested to have the December 2016 report included in the March packet.

#### **RCI Report**

The board reviewed and discussed the RCI report.

## **Delinquency/Collection Reports**

The board discussed this within the committee meetings.

## **Foreclosures**

Joanne Hallert reviewed the standing foreclosure policy and asked the board to advise if there would be any changes for the balance of the year. No changes were requested; there would be no foreclosures processed for 2017.

## **V. CONTINUING BUSINESS**

### **COMMITTEE REPORTS**

#### **Nominating Committee**

Kevin Ramage reported on the committee meeting.

The committee recommended that the board distribute the board assigned proxies evenly amongst the incumbents.

#### **Management Committee**

Karen Cornwell reported on the committee meeting.

*Ms. Cornwell moved that the board adopt the amended expense policy, Jesse Arman seconded and the motion was approved.*

The expense form will also be revised as suggested in the committee meeting.

Karen Cornwell reviewed suggested updates to the board goals.

*Karen Cornwell moved to adopt the updated version of the board goals, Milton Jantzen seconded and the motion was approved.*

*Karen Cornwell moved to accept the proposed amendment to the PVA lease starting in 2018. Katherine Ivey seconded and the motion passed.*

#### **ADA Committee**

Kevin Ramage reviewed the committee meeting and stated that management had been instructed to compare hourly rates with another architectural firm.

#### **Refurbishment Committee**

Martin Hewitt reviewed the committee meeting.

*A motion was made by Milton Jantzen and seconded by Karen Cornwell to approve hiring a new, part time maintenance person for 16 hours per week to help with hard manual labor for the flooring project. The motion passed.*

*A motion to accept the bid for the new bedding concept from A-1 Textiles, scheme A, for the quoted amount of \$12,828.76, was made by Karen Cornwell, seconded by Jesse Arman and approved.*

*A motion to proceed with the new front sign, not to exceed \$10K without board approval, was made by Jesse Arman, seconded by Karen Cornwell and passed.*

The board requested a price be confirmed for fitness machines, with a package deal if possible, by July 1<sup>st</sup>.

*A motion to proceed with the purchase of new Murphy bed mattresses was made by Karen Cornwell, seconded by Katherine Ivey and approved.*

*A motion to proceed with the purchase of custom built dining room furniture in an amount not to exceed \$190K was made by Kevin Ramage, seconded by Milt Jantzen and approved.*

### **Finance Committee**

Jesse Arman reviewed the committee meeting.

Mr. Arman recommended not moving IOA retained earnings at this time, as the reserves looked mostly fair or strong and also as the bathroom and ADA costs were not confirmed.

*A motion to accept the 2016 audit as provided by Fitzgerald and Associates was made by Jesse Arman, seconded by Katherine Ivey and approved.*

Jesse Arman reported that Mike Fitzgerald had suggested an alternative tax filing computation which is widely accepted by CPA firms and may result in significant federal tax savings for the resort. He further stated that Mr. Fitzgerald had advised there was no IRS guidance on the issue and therefore did not foresee any issues arising from the change.

*A motion to accept the tax computation method as recommended and prepared by Fitzgerald and Associates was made by Kevin Ramage, seconded by Milt Jantzen and approved.*

Mr. Arman advised that the committee was not recommending to refile any past years' taxes, but that the tax computation method would be used going forward.

Mr. Arman stated that the finance committee did not recommend a property tax appeal at this time.

The board requested that TPI and Mike Fitzgerald work together to eliminate any variances between the accounting and the audit methods used to determine delinquency rates going forward.

## **VI. NEW BUSINESS**

### **2017 Meeting Dates**

The board discussed the meetings in September and their travel plans.

**2018 Meeting Dates**

The board previously decided on March 21 and 22, 2018 for their committee, board and annual meetings.

The board confirmed September 24 and 25, 2018 for their fall meeting.

Mrs. Bridenbough thanked the board for their hard work and commended them on the excellent job they were doing on running the Kahana Falls Resort.

At 2:54 p.m., Suzie Moore and the Bridenboughs excused themselves from the meeting.

Jesse Arman asked about who might be attending future meetings on behalf of the TPI accounting team. Joanne Hallert advised it had been determined that TPI staff would be available as needed but that it was no longer standard to have accountants travel to every meeting.

**VII. EXECUTIVE SESSION**

The board went into executive session at 2:57 p.m. (HST).

The board exited executive session at 3:49 p.m. (HST).

**VIII. ADJOURNMENT**

*With no further business for discussion, a motion to adjourn was made by Kevin Ramage, seconded by Jesse Arman and approved.*

The meeting was adjourned at 3:49 p.m. (HST).

Submitted by:  
Trading Places International  
Its: Managing Agent

Approved by:  
Kahana Falls Resort AOA/IOA

By: \_\_\_\_\_  
Joanne Hallert  
Director of Resort Operations

By: \_\_\_\_\_  
Katherine Ivey  
Secretary (AOAO & IOA)