

**KANALOA AT KONA
ASSOCIATION OF APARTMENT OWNERS
MEETING OF THE BOARD OF DIRECTORS - MINUTES
APRIL 28, 2023 | 8:00 AM HST
KANALOA CLUBHOUSE AND ZOOM VIDEOCONFERENCING**

I. CALL TO ORDER

President Stephen Tanberg called the meeting to order at 8:03am.

II. ROLL CALL/ ESTABLISH QUORUM

Board of Directors Present in Person: Stephen Tanberg, Bill Lamberton, Wayne House, George Pittman, Wendy Benson, Judy Wormington, & Mikel Bryan.

Managing Agent Representatives: Castle Resorts & Hotels – Jim Heather, Ken Albert, Dean Yamamoto, Beeper Nakamaejo, Glen Shimabukuro, Nate Allen, Erin Martyn-Mann, & Renette Carpio.

III. PROOF OF NOTICE OF MEETING

Notice of meeting was posted on April 17, 2023.

IV. APPROVAL OF MINUTES

MOTION (1): Wendy Benson moved to approve the minutes of the 1/27/23 regular board meeting as presented; seconded by Wayne House. The motion was approved by unanimous consent.

V. PROPERTY MANAGER’S REPORT (Jim Heather)

The presentation of the manager’s report was deferred to the annual meeting held later that day.

VI. OFFICERS / COMMITTEE REPORTS

a. Except for the Treasurer’s 1st quarter financial report, the presentation of the officers’ and committee reports were deferred to the annual meeting held later that day. The 1st quarter financial report is attached to these minutes as Exhibit A.

VII. UNFINISHED BUSINESS

a. ADA Policy –

MOTION (2): Bill Lamberton moved to approve the ADA Compliance Policy; seconded by George Pittman. The motion was approved by unanimous consent.

b. Planned Maintenance Update – An updated report was deferred to the annual meeting held later that day.

c. Other – House Rules Change and Addition –

- House Rules Change – verbiage for Rule #18 regarding service dogs shall read:

All Service Dogs Must:

1. Be registered with the Managing Agent;
2. Have proof of vaccination against rabies and distemper submitted to the Managing Agent;
3. Be on a leash when in the common areas;
4. Not be allowed into any of the resort pools.

All feces must be picked up, put into a plastic bag, and deposited into the dumpsters.

- House Rules Addition – verbiage for Rule #26 shall read:

Feeding birds or feral animals on lanais or common elements is prohibited.

MOTION (3): Wendy Benson moved to approve amending Rule #18 and adding Rule #26 as stated; seconded by Wayne House. The motion was approved by unanimous consent.

VIII. NEW BUSINESS

a. Consent Calendar (board approved by email items for ratification)

1. Sunset Coastal View Pools – Ocean Pool resurfacing not to exceed \$60,000 (email approval 2/1/23)

MOTION (4): Wayne House moved to ratify the Sunset Coastal View Pools proposal not to exceed \$60,000 for the Ocean Pool resurfacing that was approved by email on 2/1/23; seconded by George Pittman. The motion was approved by unanimous consent.

2. Kenny Jim, CPA – 2022 annual audit proposal for \$5,500/3years, each year (email approval 2/21/23)

MOTION (5): Wendy Benson moved to ratify the Kenny Jim proposal for \$5,500/3years each year for the annual audit that was approved by email on 2/21/23; seconded by Judy Wormington. The motion was approved by unanimous consent.

3. Kenny Jim, CPA – 2022 annual audit report, review and accept (email approval 4/24/23)

MOTION (6): Wendy Benson moved to ratify the 2022 audit report prepared by Kenny Jim, CPA that was reviewed and accepted by the Board by email on 4/24/23; seconded by Bill Lamberton. The motion was approved by unanimous consent.

b. Other – None.

IX. MEETING SCHEDULE

- a. Next Board Meeting – Friday, July 28, 2023, 9:00am (HST).

X. EXECUTIVE SESSION – Delinquency fees, legal matters. None.

XI. ADJOURNMENT

Meeting adjourned at 8:36am.

Respectfully submitted,



Renette Carpio, Director of Condominium Administration
Castle Resorts & Hotels
As Managing Agent for AOAO Kanaloa at Kona

Approved and signed: /s/ George Pittman
George Pittman, Board Secretary

7/28/23
Date

AOAO Financial Highlights

January through March 2023

Key Financial Data

Operating Fund Balance	\$271,846.00
Regular Reserve Acct Balance (net)	\$1,720,886.65
Special Reserve-ADA Compliance (net)	\$90,956.09
YTD Operating Fund Surplus/(deficit)	\$60,843.39
Other Income (including late fees, Interest, gate fees)	\$2,091.62
Total Registration Fee	\$15,362.82
Less Expenses	\$14,796.00
Net Registration Fee Income	\$566.82
Reserve Account Interest	\$4,042.12
Income from Castle Rental Program	\$10,080.00
General Assessment to Operating	\$576,173.07
General Assessment to Reserves	\$175,616.49

Registration Data for Non-Castle Rentals (NCR)	Q1	Q2	Q3	Q4	Total
Total NCR Rentals	543				
Total Reported in advance to FD	268				
Percentage in compliance	49%				

Favorable Budget Variances

Water

YTD under budget by \$15,330 (36%). Rainy weather allowed us to shut off the irrigation mains for many days in January through March.

Contract Plumbing

Under by \$19,350 (100%). Leak Detection System not contracted yet in 2023.

Refuse

Under budget by \$2,019 (10%). Credit for missed service realized in March billings.

Salaries - Maintenance

Short a Pool Tech position which causes overage in Outside Contract charges. \$8,209 year to date for a 12% savings.

Salaries - Manager & Admin

We are under budget by \$5,676 or 25%. Change in AOAO Manager to GM salary split between rental/AOAO.

Recovery - Work Orders

YTD variance of \$8,324 (67%). Increase in unit interior work orders and rental unit inspections.

Contract Service

Underrun of \$7,842 (45%) due to no coconut tree trimming in January through March. Additional outside pool cleaning expenses incurred but recovered in reduced maintenance wages.

Board of Directors Travel

YTD variance of \$2,675 (45%).

Unfavorable Variances

Payroll Taxes and Benefits

Variance YTD due to a large increase in SUI rates that hit in March which was retroactive to January. Over by \$4,661 or 15%.

Vacation

Vacation accruals budgeted in payroll accounts. Accruals are \$5,231 (100%).

Delinquencies as of 3/31/23

3 units 60+ days late	\$ 2,202.36
3 units 30+ days late	2,202.36
3 units 1-30 days late	3,736.58
2 units late fees 90+ days late	<u>100.45</u>
Total	<u>\$ 8,241.75</u>

Doubtful Account Balance	\$ 3,599.35
Difference	<u>\$ (4,642.40)</u>