

Association of Apartment Owners
Wailea Fairway Villas
Annual Owners Meeting Minutes
March 15, 2014

Board Members Present: Edy Salenger, President; Bill O'Connell, Treasurer; Janet Coflin, Secretary; Gordon Johnston, Assistant Secretary; and Directors Judy Benevetti, Tom Logan, and Mike Luckado

Other Attendees: Alexander Gat and Nancy Price, Destination Maui, Inc.; Sam Schreiner, Site Manager; Nicole Rockett, Recording Secretary; and Bud Pikrone, Wailea Community Association

I. DECLARATION OF QUORUM

A quorum was declared with 56.09% of the owners represented either in person or by proxy

II. CALL TO ORDER

President Edy Salenger called the Association of Apartment Owners of Wailea Fairway Villas Annual Owners Meeting to order at 9:03 a.m. The meeting was held at Wailea Fairway Villas, Wailea, Maui, Hawaii.

III. PROOF OF NOTICE

It was certified Notice of Annual Owners Meeting was mailed to all owners of record in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

IV. MEETING RULES OF CONDUCT

The President announced meeting rules of conduct would be in accordance with Roberts Rules of Order, Newly Revised. Customary rules of conduct were included with the information distributed to owners at registration, and these were briefly reviewed.

V. WAILEA COMMUNITY ASSOCIATION UPDATE

Mr. Pikrone, the Executive Director of the Wailea Community Association, updated the owners on community activities and projects. He answered questions owners had.

VI. INTRODUCTIONS

Introductions were made at this time, including new and original owners. The President announced there are 12 new owners this year.

VII. APPROVAL OF MINUTES

MOTION: To waive the reading of the Minutes of the March 16, 2013, Annual Owners Meeting and to ratify Board approval.

G. Salenger/T. Logan Unanimous Approval

VIII. TREASURER'S REPORT

The Draft Audit for the year-ending December 31, 2013, was distributed to owners at registration. It was conducted by Michael Bates.

Treasurer O'Connell updated the owners on the financial status of the Association for the year then-ended. Assets were reviewed, along with liabilities and fund balances. Total cash was about \$283,000. There was a surplus of operating revenues of about \$33,000 over operating expenses. Delinquencies are stabilized or shrinking in some cases. The Board was able to limit the maintenance fee increase to 1.4%, which is well below the rate of inflation. Overall, the Association is in good shape financially.

Reserve funding strategy was discussed. The Replacement Reserve balance totals \$700,000. The Reserves are funded by the Percentage Funded Method. An independent consultant evaluated the Association's Reserve Balance five years ago. A new Reserve Study will be conducted in spring 2014. At the end of 2014, the Association Reserves will be 62% funded.

Efforts continue to control expenses, including working with Island Plant to reduce water use levels. Had usage continued at the 2012 level, the Association's water bill would have been \$31,000 higher. Director Logan also worked to reduce telephone and cable TV costs. Oceanic Time Warner Cable has offered a package with upgraded services for approximately \$7 more per month per owner. Owners are welcome to offer input on the proposal.

The Treasurer answered questions.

IX. SITE MANAGER'S REPORT

Mr. Schreiner submitted a Site Manager's Report, updating the owners on 2013 projects and activities, including landscaping, building maintenance and administrative. Additionally, the report listed work in progress and planned projects.

He thanked owners for their support over the past year. Projects completed in 2013 have greatly improved the appearance of the property.

Mr. Schreiner said Island Plant has done a great job putting the irrigation system on smart clocks. The project will save the Association money in the long term.

Two other major projects in 2013 were pressure washing the buildings and painting units' front doors and belly bands as well as all of the doors in the recreation center.

Owners are welcome to approach Mr. Schreiner with questions or suggestions.

X. MANAGING AGENT'S REPORT / FINANCIAL UPDATE

Owners received copies of the Managing Agent's report at registration, along with correspondence detailing Insurance Coverage Requirements and a summary of insurance coverage.

Mr. Gat said he is pleased to be working with Wailea Fairway Villas again. He said the Association has an outstanding Board and Site Manager.

He reminded owners about securing insurance coverage. The Association's policy covers the property; essentially, everything inside the unit should be covered by owners. The Association requires owners to have an insurance policy for property damage and liability inside the unit. Each year, when the policy is renewed, owners or their insurance provider must send a copy of the renewal certificate to Mr. Schreiner.

Destination Maui, Inc. sponsors ongoing educational opportunities for the staff and management of the properties it manages on Maui, including a security seminar in 2013, as well as landscaping, building structure, permitting, and law change seminars in prior years.

XI. PRESIDENT'S REPORT

The President and Director Benevetti attended a very informative Condominium Council of Maui seminar on accounting and budgeting.

The Board's priority in 2013 was irrigation; six smart clocks are installed, and three more will be implemented. The Association's water bill has gone down dramatically (24 percent) due to joint efforts with Island Plant. The goal for 2014 is to complete that process.

The President reported that new tile was installed in the recreation center bathrooms last year to improve safety; an air conditioner policy was created and posted on the website; and staff member Josh became a certified pool operator.

XII. ELECTION OF DIRECTORS

The Association is governed by a seven-member Board of Directors. With the terms of Janet Coflin, Gordon Johnston, Judy Benevetti and Tom Logan expiring, there are four vacancies on the Board: three for three-year terms and one for a one-year term. The following owners have expressed interest in serving on the Board: Gordon Johnston, Judy Benevetti, Tom Logan, and Joe Schultz. With no objections voiced, these owners were duly nominated. The President called for nominations from the floor. Hearing no objections or further nominations, the President declared nominations closed. The candidates introduced themselves.

MOTION: To elect by acclamation the slate of candidates to serve on the Board, as follows: Judy Benevetti, Tom Logan, and Joe Schultz for three-year terms; and Gordon Johnston for a one-year term.

B. O'Connell/G. Salenger Unanimous Approval

MOTION: To destroy all proxies after 30 days.

J. Benevetti/C. Atwood Unanimous Approval

XIII. NEW BUSINESS

A. Potlucks

The President thanked Joan Grotz and Kathy Erdman for doing a fantastic job organizing potlucks.

B. Annual Resolutions

MOTION: That any excess of membership income over membership expenses for the year-ending December 31, 2014, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604 (Resolution 2011-04).

J. Schultz/G. Salenger Unanimous Approval

MOTION: To ratify the Board decision to refrain from acquiring flood insurance due to the prohibitive expense.

G. Salenger/B. Johnston Unanimous Approval

The Board also doesn't carry earthquake insurance due to the prohibitive expense.

XIV. OWNERS' FORUM

There was an Owners' Forum, and the following topics were discussed: 1) Reminding owners and renters in the newsletter not to feed feral cats; 2) Trimming monkey pod trees to reduce waste; 3) Providing financials with prior year comparisons; 4) Making it easier to recycle; 5) Vehicles traveling at high speed near the entrance; 6) Trimming the coconut trees and Hong Kong orchids; 7) Blossoms from orchid trees falling in the parking lot; 8) Asking the golf course to trim the kiawe trees; 9) Reducing noise and speeding on Kalai Waa Street (the Board will take it on as a project); 10) Police presence to discourage speeding; 11) Open spots in landscaping bordering the golf course; and 12) Building covered parking and renting stalls for Association income.

XV. NEXT MEETING DATE

The next Annual Owners Meeting will be held on March 14, 2015.

XVI. ADJOURNMENT

MOTION: To adjourn the meeting at 10:35 a.m.

C. Yaeger/G. Salenger Unanimous Approval

Respectfully submitted,

Louise Rockett

Louise Rockett
Transcriptionist

Approved for distribution by the Board of Directors