

Association of Apartment Owners
Wailea Fairway Villas
Board of Directors' Meeting Minutes
February 26, 2015

Board Members Present: Edy Salenger, President; Judy Beneventi, Vice President; Bill O'Connell, Treasurer, Mike Luckado, Secretary; and Directors Joe Schultz, Tom Logan and Gordon Johnston

Other Attendees: Alexander Gat, Destination Maui, Inc.; Sam Schreiner, Site Manager; and Deidre Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with seven Directors present.

II. CALL TO ORDER

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

III. PROOF OF NOTICE

It was certified Notice of Meeting was sent in accordance with the Association governing documents in compliance with Hawaii State Law.

IV. CONSENT CALENDAR

The Board reviewed the Minutes of the January 15, 2015, Board of Directors meeting, and several changes were noted.

MOTION: To approve the Consent Calendar, as follows: Minutes of the January 15, 2015, Board of Directors Meeting as amended.

Beneventi/Schultz Unanimous Approval

V. TREASURER'S REPORT

Treasurer O'Connell updated the Board on the financial status of the Association through January 31, 2015. The cash balance totals \$371,000.

Treasurer O'Connell reminded the Board that it didn't budget for rental income or rental expenses for unit H101. He reported that within the next two to three months, the unit should start showing a positive cash flow.

There is a line item in the budget for the photovoltaic system, funded by the operating surplus from last year. The budgeting strategy for this line item was reviewed.

VI. SITE MANAGER' REPORT

Mr. Schreiner submitted a written report dated February 26, 2015.

Adding to the report, Mr. Schreiner noted that two elements failed to pass the backflow inspection, including: 1) Potable water valves; and 2) Repair of the fire line shutoff valve. He estimated that it would cost \$5,000 to \$6,000 to address. Bids will be solicited, and the project will be funded as a maintenance expense in the budget.

The footbridge repair work will begin on Monday.

The Board plans to defer the parking lot resealing work to 2017. Mr. Schreiner was asked to inspect and evaluate the condition of the lot where it has been impacted by runoff and irrigation water. Board members recommended asking Island Plant to check irrigation heads that impact the parking lot.

Director Logan noted that in the X and Y Buildings, there is a 9- to 12-inch drop from the lanai to the ground, and he considered it a maintenance issue. Options to address the situation were evaluated. Island Plant Company responded that using fill to cover the gap is not an option, and recommended that a 24-inch-high hedge could be planted. Mr. Gat is preparing to send a letter to ground floor owners in those two buildings to explain the situation and offer solutions.

The President said that a project to install LED lights in the parking lot would be a lengthy process. The Board is exploring lights and alternatives, including retrofitting the existing lights.

VII. MANAGING AGENT'S REPORT

Mr. Gat said foreclosure issues would be discussed in Executive Session. Most owners are current in paying fees. He invited Board members to attend a Condominium Council of Maui law seminar in March.

VIII. PRESIDENT'S REPORT

With a lot of help, President Salenger reported Residence H101 is in good shape and ready for rental. DMI Rental Agent Cheryl Johnson has shown the three-bedroom unit this week. The President expects the residence will be occupied by March 1.

A new defibrillator was installed on property. The Board considered how to familiarize owners with how it operates, including the installation of instructional signage, having a company representative conduct a demonstration and an article in the newsletter. The machine voices instructions when it is turned on. The President and Mr. Schreiner will work on a sign.

IX. OLD BUSINESS

A. Photovoltaic System

The Treasurer reported the schedule for installing the PV system has not been established, but the Board should be able to update the owners about it at the Annual Meeting. Board members are confident the proposal offered by Haleakala Solar is acceptable.

B. Recreation Center Upgrades

Director Luckado asked if Board members support replacing the large multi-station in the gym. He recommends two smaller multi-use exercise pieces because they would be more effective and use less space; he provided the Board with information. He asked the Board for input on machine replacement preferences. Director Luckado feels that some of the old machines are unacceptable.

Director Luckado researched light and heavy commercial exercise equipment and provided an analysis, including the pros and cons of each. Board members preferred the purchase of heavy commercial equipment.

Director Luckado provided the Board with information on kitchen cabinets and granite countertops. Director Luckado thinks he can lower the price of the project by hiring one contractor to handle everything. A contractor will be on-property next week to inspect the recreation center.

Director Luckado also researched, 32-inch commercial barbecues. He described the grill replacement and counter project. Director Luckado asked if an automatic gas shutoff valve should be installed, avoiding waste.

MOTION: To approve the improvements in the recreation center, which includes updating and upgrading the exercise equipment to heavy commercial, proceeding with the renovation of the kitchen and rebuilding the barbecue area, at a total cost not to exceed \$53,000.

Johnston/Logan Unanimous Approval

C. Dumpster Enclosures

Board members inspected the area and created a design. For this project, the Board is now in the contractor selection phase. Costs will be detailed at the next Meeting. The existing gates will be used, repainted and furnished with new hardware.

D. Footbridge Renovation

As noted in his report, Mr. Schreiner said the project would begin on Monday.

E. Flooring Policy

Director Schultz was asked to research the Association's second floor hard surface flooring policy. He said the Board addressed the policy in 2011 and made revisions regarding what can be substituted on the second floor. After talking with Mr. Schreiner, Director Schultz feels the policy, posted on the website, is adequate as is. The policy states that when owners convert an upstairs unit from carpet to hard surface flooring, owners must adhere to the policy and use specified materials to reduce noise to units below.

X. NEW BUSINESS

A. Privacy Partitions

Owners have inquired about installing privacy partitions between units. Board members walked the property and observed four styles of partitions being used. Consistency is needed, the President said. Board members discussed creating a policy to make the screens uniform. The President will propose a policy for the Board's review.

XI. OWNER'S FORUM

An Owner's Forum was held, with the following subjects discussed: 1) Update on the barbecue project; and 2) Board vacancies and election.

XII. NEXT MEETING DATE

The next meeting is the Annual Meeting slated for March 14, 2015, at 9 a.m.

XIII. EXECUTIVE SESSION

The Board moved to Executive Session at 11:08 a.m. Regular business resumed at 11:50 a.m.

XIV. OTHER BUSINESS

MOTION: To approve the contract with Destination Maui, Inc. as presented.

Schultz/Logan Unanimous Approval

XV. ADJOURNMENT

The meeting adjourned at 11:51 a.m.

Respectfully submitted,
Louise Rockett,
Transcriptionist

Approved for distribution by Edy Salenger, President