

Association of Apartment Owners
Wailea Fairway Villas
Board of Directors' Meeting Minutes
August 20, 2015

Board Members Present: Judy Beneventi, President; Mike Luckado, Vice President; Edy Salenger, Secretary; and Joe Schultz, Director
(In Person)

Board Members Present: Bill O'Connell, Treasurer; and Director Mike McDole
(By Telephone)

Board Member Absent: Director Tom Logan

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

I. DECLARATION OF QUORUM

A quorum was declared with six Directors present either in person or by telephone.

II. CALL TO ORDER

President Judy Beneventi called the Wailea Fairway Villas Association of Apartment Owners Board of Directors' Meeting to order at 9:02 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, and it was posted on property in compliance with Hawaii State Law.

IV. INTRODUCTION

Mr. Gat introduced Susan Gregory. Ms. Gregory is the new Account Manager for Wailea Fairway Villas at Destination Maui. Her qualifications were noted. Mr. Gat was recognized for his professionalism and service.

V. CONSENT CALENDAR

The Board reviewed the Minutes of the following meetings: March 14, 2015, Annual Owners Meeting as to form and content; March 14, 2015, Organizational Board of Directors' Meeting; and May 5, 2015, Board of Directors Meeting.

Changes were noted on the Minutes of the March 14, 2015, Annual Owners Meeting.

MOTION: To approve the Minutes of the March 14, 2015, Annual Owners Meeting as corrected and as to form and content.

Salenger/Schultz Unanimous Approval

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The President noted that the Minutes of the March 14, 2015, Annual Owners Meeting will be posted on the Website in draft form until the 2016 Annual Owners Meeting.

MOTION: To approve the Minutes of the March 14, 2015, Organizational Board of Directors' Meeting as presented.

Schultz/Salenger Unanimous Approval

MOTION: To approve the Minutes of the May 5, 2015, Board of Directors' Meeting as presented.

Salenger/Schultz Unanimous Approval

VI. TREASURER'S REPORT

Treasurer O'Connell submitted a written report, updating the Board on the six-month Association financial results. The Association is in sound financial condition, with a good balance in both the Operating Fund and the Reserves.

The Treasurer answered questions fellow Directors had about State Law, Provision 196, and the status of the Association-owned unit

VII. SITE MANAGER' REPORT

Mr. Schreiner submitted a written report dated August 20, 2015, updating the Board on Association activities and projects, including projects completed, ongoing and planned, including Landscaping and Building/Project Maintenance. Highlights were reviewed. He answered questions the Board had.

VIII. MANAGING AGENT'S REPORT

Mr. Gat submitted a June Managing Agent's Report, updating the Board on personnel and collection matters. The dates of scheduled Board Meetings were included in the report. He noted that currently there are no serious delinquencies.

IX. PRESIDENT'S REPORT

The President reported that operations at Wailea Fairway Villas have proceeded fairly smoothly. Further, she thanked fellow Directors for extra projects taken on to help improve both the aesthetic as well as the financial value of the Association.

President Beneventi asked Mr. Gat to update the Board and owners on the change to the insurance deductible. Additionally, the President asked for pictures/slide show to post on the Website, updating the owners on the status of the refurbishment of the Fitness Room and Kitchen and the installation of the PV System. Director Luckado volunteered to accomplish that task.

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The President reminded the Board about a topic discussed during the Owners' Forum at the Annual Owners Meeting. The owner asked for the percentage of ownership, rental versus resident ownership. The owner was concerned about the impact on property designation by the County of Maui and the impact on property as well as state taxes. Mr. Schreiner will research and email the results to the Board.

Mr. Gat explained how the county and state taxes are not impacted by the property designation status. The impact on the mortgage and insurance companies were reviewed as well.

X. OLD BUSINESS

A. Trash Enclosures

Director Luckado updated the Board on the status of the construction of the trash enclosures. There has been no progress, he said.

As an aside, he will be meeting with the welder in the near future to inspect the railing by the stairs.

B. Design for Privacy Partitions

Director Salenger provided a design for the privacy partitions, including Guidelines and Resolution for adoption. She posted the designs in May 2015, asking for comments from owners; thus far, none have been received.

MOTION: To adopt the Privacy Partition Policy and post on the Website.

Salenger/Schultz Unanimous Approval

The President will send the new policy to the Web Master for posting. She will also add this information to the President's Message in the Newsletter.

C. Rec Center and Barbecue Update

Currently, the budget for this "entire" line item is under target with the regard to this project.

Director Luckado provided an update on the Fitness Room refurbishment. Positive responses have been received.

Additionally, Director Luckado updated the Board on the Barbecue upgrade and the Kitchen refurbishment. He is consulting with Steve Mosley on BBQ Grills of Hawaii. A proposal was solicited and received, and it was reviewed in detail. He outlined the benefits of signing a contract with BBQ Grills of Hawaii, noting their qualifications and experience. Director Luckado answered questions the Board had about the Kitchen and Barbecue Projects. The Board conducted an analysis at the meeting of the proposal presented, including costs and timing.

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MOTION: To authorize Director Luckado to continue with the plan presented today with Summerset Grills, including a box foundation plus tile granite top. Further, when Michael is comfortable that this segment of the project is completed, he is authorized to move forward with the kitchen cabinets, completing the renovation there.

Salenger/Schultz Unanimous Approval

D. Safety Hedge Status for Buildings X and Y

Mr. Schreiner updated the Board on the status of the planting of a Safety Hedge by Buildings X and Y. The goal is to plant the hedge at the earliest possible convenience for the benefit of both of the Building X and Building Y owners.

E. Association Rentals

Director Salenger updated the Board on the status of the Association-rented units, including H101 and C201. She reported that both units are currently rented on a long-term basis.

F. Update from Haleakala Solar

Director O'Connell noted that once there are a few months experience with the PV System, an analysis of savings, etc. will be conducted, with the results reported to the Board.

G. Parking Lot Lights

Director Salenger provided an update on the Parking Lot Lights Project. She and Mr. Schreiner are conducting an ongoing analysis in concert with the lighting consultation about the potential of converting to LED fixtures. The consultant has offered lighting tone options. Sample lights will be installed. This line item will be added to the next fiscal year budget. It is estimated that the cost for conversion might be an estimated \$50,000.

XI. NEW BUSINESS

A. Internet Upgrade

Information about the Internet Upgrade was recently received. The current Internet Package is no longer available. The cost was \$79.95. With a five-year contract, there would be no cost increase; otherwise, the increase would be \$10 per month. The terms of the contract were briefly reviewed; options were evaluated.

MOTION: To increase the Internet service broadband by 1, with a two-year contract at a cost of \$114.99 per month and ask if the service can be boosted in the workout facility.

Schultz/Salenger Unanimous Approval

B. Registration Fee

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The President explained the evolution of this matter. When visitors are onsite with the property owner's not present for a certain number of times, a Registration Fee may be charged.

Further discussion was deferred to Executive Session.

C. Pool Steps

An owner suggested adding another safety railing at the entrance to the pool steps. The benefit, she said, is the second railing would give owners more stability. Board members agreed that one railing was sufficient. Options were briefly assessed.

XII. OWNERS' FORUM

There were no owners present, however, two topics were discussed o this agenda item, as noted below.

In an emergency situation, Mr. Schreiner and Josh will be on site as "point persons" to answer questions and direct residents. A committee was suggested to address emergency preparedness, drafting a plan. Committee members would possibly be onsite as well to assist employees and management. Options were discussed, including appointing an Emergency Team. An Emergency Preparedness proposal was suggested. Directors O'Connell and Beneventi volunteered to serve on this committee and will meet on another occasion.

Director Schultz voiced concern about the "Humidity Bugs," attracted by the lights in the nighttime, entering units and becoming a nuisance pest. An option to address the bothersome situation included changing the light bulbs to a yellow color. Mr. Schreiner will explore and check with the lighting consultant and supplier. It was noted, however, that not every unit is impacted by the invasive bugs.

XIII. NEXT BOARD MEETING DATE

There is a pre-Budget Meeting work session on October 28, 2015, that will be held in the offices of Destination Maui. All Directors are invited to attend; however, it is not a requirement. The Board Budget Meeting is scheduled for November 11, 2015.

XIV. EXECUTIVE SESSION

The Board duly moved to Executive Session at 10:54 a.m. to discuss personnel and contract matters.

Regular business resumed at 12:29 p.m.

XV. OTHER BUSINESS

MOTION: To authorize the Treasurer to retain the services of a tax attorney to provide

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an opinion about the availability of tax credits associated with the recent installation of the Photovoltaic System at Wailea Fairway Villas at a cost not to exceed \$3,000.

O'Connell/Salenger Unanimous Approval

MOTION: To approve the extension of the contract with Island Plant under the current conditions and terms for two months.

Beneventi/Schultz Unanimous Approval

XVI. ADJOURNMENT

The meeting adjourned at 12:32 p.m.

Respectfully submitted,

Louise Rockett,
Transcriptionist

Approved for distribution by Judy Beneventi, Board President