

Association of Apartment Owners of  
Wailea Fairway Villas  
Board of Directors' Meeting Minutes  
September 27, 2013

Board Members Present: (In Person) Edy Salenger, President; Mike Luckado, Secretary; and Ed Small, Assistant Treasurer

Board Members Present: (By Telephone) Gordon Johnston, Vice President; Bill O'Connell, Treasurer; and Director Tom Logan

Board Member Absent: Janet Coflin, Director

Other Attendees: Chris Bandy and Nancy Price, Destination Maui, Inc.; Sam Schreiner, Site Manager; and Deidre Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with six Directors present either in person or by telephone. Director Johnston joined the Meeting in progress, as noted in the Minutes.

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

Chris Bandy certified Notice of Meeting was emailed to all Directors on August 27, 2013, in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

IV. CONSENT CALENDAR

A correction to the June 20, 2013 Minutes was noted under the Treasurer's Report. The second sentence should be changed to read: "Treasurer O'Connell reported that \$30,000 in maintenance fees previously written off was added to membership income through the sale of unit X202."

MOTION: To approve the Consent Calendar with a change in the Minutes of the June 20, 2013, Board of Directors' Meeting under the Treasurer's Report.

Small/Luckado Unanimous Approval

(Director Johnson joined the meeting at this time.)

V. TREASURER'S REPORT

Treasurer O'Connell reported the Association is in sound financial health. Total Revenue over expenses is \$57,700 for the first eight months of the year. Total Operating expenses are an estimated \$34,000+ under budget. As noted in these Minutes, several projects will be completed the last quarter of this year.

The Treasurer explained that the MJF line item is a new category for rental income received from the non-judicial foreclosure of one unit, as per Hawaii State Law Act 196.

Contributions to the Reserves are on track this year and growing as budgeted. The Reserves are funded at the 51% level. There has been one minor expenditure this year for the bathroom repair.

The total number of delinquencies is lower than it has been in five years.

VI. SITE MANAGER'S REPORT

Mr. Schreiner previously emailed copies of his report, dated September 27, 2013, to the Board. He updated the Board on Association projects and activities, including Landscaping, Building Maintenance, Work in Progress and Planned Projects, as follows: 1) Status of Bogie hedge and ice plants; 2) Ongoing upgrade and replacement of irrigation system parts; 3) Repairs to irrigation system; 4) Certification of employee at a Pool and Spa Operator's Course; 5) Analysis of irrigation system smart clocks conducted; 6) Ongoing spalling work; 7) Repair of leak; 8) Consulting with Pittsburg Paints on specifications of entry door painting project and solicitation of bids; and 9) Solicitation of bids for pressure washing.

VII. MANAGING AGENT'S REPORT

Mr. Bandy included a Managing Agent's Report, dated September 24, 2013, in the packet of information distributed to the Board. A major focus of Mr. Bandy is the collection of delinquent accounts. He meets on property with Mr. Schreiner two times per month.

VIII. PRESIDENT'S REPORT

President Salenger meets regularly with Mr. Schreiner. With the budgeting drafting process upcoming, she asked for input from Directors on the 2014 financial plan.

The President has established a Construction Project Schedule policy. This policy is numbered Resolution 9-2013. This policy was evaluated at the last Board Meeting. It says that the Association won't be doing any construction projects between Thanksgiving and New Years unless: 1) Complication that extends an active project into the time period; or 2) Emergency or safety issue.

MOTION: To accept Resolution 9-2013 Construction Project Schedule.

Johnston/Small Unanimous Approval

This Resolution will be added to the Association website by the Web Master.

The President announced that Mr. Schreiner is going on vacation for three weeks commencing mid- October. A new staff member has been hired to assist Sam and Josh. Her duties are to clean the bathrooms and around the pool area. Further, she will be providing security in the parking lot. Her hours will be about five hours a week. She will also provide vacation relief when staff members are on vacation. Her hours would then be about eight hours per week.

IX. OLD BUSINESS

A. Building Pressure Washing

Mr. Schreiner solicited bids for the Building Pressure Washing project. The President and Director Luckado previously analyzed the proposals. The Directors individually noted their preferences and explained the reasons for their position. The options were evaluated. It was suggested to ask the contractor to leave the windows clean after the power washing and add this to the scope of work.

Following discussion, the President summarized that Rick Hevner Window Cleaning was the preferred bid. The goal is to pressure wash the back and sides of the buildings. Frequency of cleaning can be a decision made at the Budget Meeting.

B. Pool Deck Cleaning

The Board previously explored and discussed options for the Pool Deck Cleaning, i.e. hiring a contractor versus the Association purchasing a "scrubber" and cleaning in-house. Following investigation, it has been determined that the purchase of a scrubber is the preferred alternative. Mr. Bandy and Mr. Schreiner will continue to explore the purchase of a scrubber for the Association.

C. Expenditure Guidelines -- Budgeted vs. Non-budgeted Items

The Site Manager asked for clarification from the Board on the price range and limitations at the last meeting. Guidelines were established at the last meeting by the Board, and these were implemented on a trial basis. Mr. Schreiner reported that the guidelines as implemented on a trial basis are satisfactory.

It was agreed to formalize the guidelines as presented: Policy Resolution Number 10-2013 Payment Authorization Guidelines. There was a minor change noted in the language. With that change incorporated into the Resolution, it was agreed to post Policy Resolution Number 10-2013 on the website.

D. Landscape Upgrade Report and Bid

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A written proposal from Island Plant was distributed to the Board. It includes the replacement of three irrigation weather system controllers and installation of nine modules. Director Luckado recommended replacing six modules instead of the nine. The cost would be \$6,750. The landscape contractor agreed to use "Special Project Hours" to upgrade the system.

Mr. Schreiner will monitor the impact of the installation of the modules to make sure it is operating efficiently.

Director Luckado recommended increasing the budget to \$6,750, move forward as planned and install the six modules. With the projected savings on water costs, payback would be in less than one year.

Motion: To authorize an expenditure of \$6,750 to purchase six ET Manager Modules.

O'Connell/Small Unanimous Approval

Director Luckado will consult with the landscaper to determine the cost per hour of their irrigations specialist.

X. NEW BUSINESS

A. Door Painting Project

The painting of the doors includes painting of the door jambs and the belly bands as well. Mr. Schreiner consulted with a representative from Pittsburg Paints about this project. Pittsburg Paints drafted a scope of work for the project free-of-charge. Three painting contractors inspected the complex and submitted a proposal. This project is scheduled in the Reserve Study. If the Board agrees, this project may be accelerated.

The Board briefly evaluated the proposals comparatively, including the scope of work. The bids ranged from \$12,280 to \$18,750. Budgeting strategy was discussed. It was agreed that the doors need to be painted.

MOTION: To move forward with the Door Painting Project. Further, Performance Painting was selected to do the work at a cost of \$12,280.

O'Connell/Small Unanimous Approval

Management will consult with the contractor to determine the scheduling of the project.

B. Speed Limit Signs

With concerns about backing out of a parking space, one owner suggested the Board consider installing speed limit signs in the parking lot. Options were examined. With enforcement a question, no action was taken. The President, however, will bring this to the

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attention of the owners in the next newsletter.

XI. NEXT MEETING DATE

The next Board Meeting will be held on November 14, 2013.

XII. EXECUTIVE SESSION

The Board moved to Executive Session at 10:35 a.m.

Respectfully submitted,

*Louise Rockett*

Louise Rockett  
Transcriptionist

Approved for distribution by President Edy Salenger