

Association of Apartment Owners
Wailea Fairway Villas
Board of Directors' Meeting Minutes
October 27, 2017

Board Members Present: Edy Salenger, President; Tara Weikum, Vice President;
(In Person) Mark Waite, Secretary; Bill O'Connell, Treasurer; and
Directors Mike Luckado and Tom Logan

Board Member Present: Mike McDole, Director
(By Telephone)

Owner Present: John Moore, W102

Other Attendees: Jan Beemer and Stephanie Sisneros, Destination Maui, Inc.;
Josh Berkeley, Site Manager; and Carol Simmons, Recording
Secretary

I. DECLARATION OF QUORUM

A quorum was declared with seven Directors present either in person or by telephone at call to order. Director Luckado joined the meeting after call to order as indicated herein.

II. CALL TO ORDER

President Edy Salenger 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 emailed to the Board in accordance with the Association governing on September 27, 2017, and it was posted on property in compliance with Hawaii State Law.

IV. INTRODUCTIONS

Introductions were made at this time.

V. APPROVAL OF MINUTES

(Director Luckado joined the meeting at this time.)

The Board considered approval of the August 4, 2017, Board of Directors' Meeting, and corrections were noted:

1. On page 3, Item D Home Inspections, second paragraph, third sentence should be corrected to read: "Owners can also hire their own plumbing/electrical contractors and provide inspection reports to the Board." The rest of the

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paragraph should be deleted.

2. On page 3, Item D Home Inspections, delete the third paragraph and add the following statement: "Information will be included in the next Newsletter."
3. Page 4: The Motion under Item E Enforcing the Smoking Policy should be deleted.

MOTION: To accept the Minutes of the Minutes of the August 4, 2017, Board of Directors' Meeting as corrected.

O'Connell / Weikum Unanimous Approval

VI. TREASURER'S REPORT

Director O'Connell updated the Board on the financial status of the Association as of August 31, 2017. The Association is in good financial condition, with revenue exceeding expenses by \$16,100. Variances, both over and under target, were noted and explained. Cash at the end of August 2017 was \$363,000. The Reserves are 82% funded.

VII. SITE MANAGER'S REPORT

Mr. Berkeley presented a written report dated September 2017, updating the Board on Island Plant Landscaping Activities; Building and Project Maintenance; and Incident Reports. It was reviewed.

X. MANAGING AGENT'S REPORT

Ms. Beemer has been working on the 2018 Budget with Directors Salenger, O'Connell and Weikum. Her focus as Account Executive will be on communications and contract management.

XI. OLD BUSINESS

A. New Website

At the last meeting, the Board agreed to engage the services of a consultant to build the Association Website. Director Weikum has solicited bids. It was agreed that the Website consultant could proceed, as follows: 1) Initial fee of \$500; and 2) Monthly fee of \$29.95.

A sample copy of the Homepage was available. Director Weikum noted the contents. Before the Website goes live, the Board will have the opportunity to review. She answered questions the Board had.

The Logo can be recreated for \$200. It will be a high res version that will be the property of Wailea Fairway Villas hereinafter. The Board considered options. Ms. Beemer will seek alternatives and report back to the Board. If the options are not available, the Board will proceed with the \$200 logo.

After the Website is launched, the Board will be able to make changes as appropriate. Any major changes that need to be made, the consultant will accomplish.

The newsletter format in the past website has been lost. The new consultant suggested that a Blog be added, and he will develop that. Other differences in the new webpages were noted and discussed.

B. High Risk Component Inspections

The President and Treasurer noted there are no funds in the 2018 Budget to move forward with the inspections. The cost is projected to be \$100 per unit or \$11,800 for the entire complex. Treasurer O'Connell recommended encouraging owners to conduct the inspections on their own. An article will be posted in the next newsletter, noting the benefits of High Risk Component Inspections.

C. Smoking Policy

Information about a proposed Smoking Policy was included in the Board Packet. Language banning smoking on property was presented. Discussion followed. Options to address the controversial prohibition were evaluated at length, including polling the owners, sending an email blast, drafting a petition, adding the topic to the Annual Owners Meeting Agenda, seeking legal advice and/or changing the Bylaws by Written Consent Ballot.

Current Smoking Policy is no smoking on lanais or within 20 feet of the buildings.

There was a straw vote amongst the Directors on whether or not to make Wailea Fairway Villas smoke free, including the interior of the units, and there were five Directors in favor of a total ban.

It was agreed that an email blast would be sent to the owners explaining that a proposed change in the Bylaws designating the property as smoke free is under consideration, asking for their opinion.

D. Lanai Sunshades

Director Weikum researched information about the potential of adding sunshades on unit lanais. She suggested a cable retention screen as the best option, circulated a picture of the model and described how it would be installed and how it would operate.

Director Weikum explored optional sunshade companies, including Sky Shades Hawaii. The Board would draft rules and regulations regarding color and installation. Costs were noted for both hand crank and motorized models and ground floor and second floor units along with warranty terms.

Color choices were considered, and it was agreed to limit the sunshades to one color. Further, by unanimous consensus, it was agreed to offer sunshades as an option to owners for lanai installation. A Resolution will be written on rules and regulations regarding lanai

sunshade models, installation and color. Director Weikum will draft the language for consideration.

XII. NEW BUSINESS

A. 2018 Budget

Director O'Connell presented the proposed 2018 Budget. He reminded the Board that there was no increase in 2017. The 2018 Budget proposal is for an overall increase of 2.6%, with a 3% increase in the Statutory Reserves and a 2.52% increase in the Maintenance Fees.

By line item, variances in the 2018 Budget as compared to the 2017 Financial Plan were noted and explained, including income and expenses.

Ms. Beemer will seek answers the Board had about insurance, i.e. if an increase in the deductible will lower the total premium amount. The Treasurer answered questions the Board had. Some adjustments to the Budget were made. Discussion on the Management Contract increase was deferred to Executive Session.

B. House Rules Review

The President explained there were questions about the House Rules, specifically Section 7. She said with contrary rules in effect about "appearance" matters, management is experiencing enforcement challenges. The President appointed Directors Logan, Weikum and Waite to serve on a committee to work with Mr. Berkeley on the House Rules he has questions about.

C. LED Parking Lot Lighting

Director O'Connell updated the Board on the LED Parking Lot Lighting Project, including a financial analysis of the benefits.

MOTION: To engage Electric Services Maui to install 57 LED Lights as soon as practical. Further, to authorize the Treasurer to allocate the cost from the Reserves, as necessary

Luckado / Waite Unanimous Approval

XIII. NEXT MEETING DATE

The next Board of Director's Meeting will be held on January 19, 2017, 9 a.m. onsite.

XIV. EXECUTIVE SESSION

The Board moved to Executive Session at 10:45 a.m. to discuss contracts, stickers and salaries. Regular business resumed at 10:55 a.m.

XV. OTHER BUSINESS

MOTION: To approve "this draft of the Budget" pending the following changes: 1) \$6,000 reduction in electric; 2) \$1,500 deduction in Management Fees from DMI; and 3) Any changes made by the Board in Executive Session relating to salaries for 2018.

O'Connell / Weikum Unanimous Approval

The previous Site Manager recently passed away, leaving behind a number of hardback books. The President asked if the Board would consider the purchase of another matching bookcase for the rec room and recognizing the donation of books from Sam Schreiner on an attached metal plaque. An article will be posted in the newsletter asking if an owner is interested in chairing this project.

XVI. ADJOURNMENT

The meeting adjourned at 10:55 a.m.

Respectfully submitted,

Louise Rockett

Louise Rockett,
Transcriptionist

Approved for distribution by the Board of Directors