Association of Apartment Owners

Maui Sands I

Board of Directors’ Meeting Minutes

April 16, 2016

Board Members Present: John Cush, President; Jean Rachkowski, Secretary;

(In Person) and Director Wendy Cush

Board Members Present: David Bontorin, Treasurer; and Director Shanna Stubbs

(By Telephone)

Board Member Absent: Dave Stuffler

Owner Present: Bob Jenks, 3D

Other Attendees: Doug Lefler, Hawaiiana Management Company; Allison Royce, Resident Manager; and Carol Simmons, Recording Secretary

I. CALL TO ORDER

President John Cush called the Association of Apartment Owners of Maui Sands I Board of Directors’ Meeting to order at 9 a.m. The meeting was held onsite at Maui Sands, Honokowai, Maui, Hawaii.

II. DECLARATION OF QUORUM

A quorum was declared with 5 Directors present either in person or by telephone.

III. PROOF OF NOTICE

It was certified that notice of meeting was emailed to all Directors on April 12, 2016, in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

IV. APPROVAL OF MINUTES

Corrections were noted to the Minutes of the March 17, 2016, Board of Directors’ Meeting: 1) Rosa’s last name should be corrected to McAllister where written incorrectly in the Minutes; 2) Correct the spelling of Allison’s name; and 3) Correct spelling of Mike’s last name to Silva.

MOTION: To approve the Minutes of April 16, 2016, Board of Directors’ Meeting as corrected.

Wendy Cush / John Cush Unanimous Approval

V. PRESIDENT’S REPORT

President Cush reported that since the last meeting, some tasks at Maui Sands I have been accomplished. Progress is being made. Preparations have been made for the upcoming painting project. The landscaper has met landscaping requirements.

The President, Director Wendy Cush and Doug Lefler met with contractors onsite discussing the upcoming project including staging, decking repairs on the second floor, railing removal and replacement, lead paint prep work and testing and lanai deck work.

The railings are not anticipated to arrive on island until July. At that time, it will be the Association’s responsibility to remove and dispose of them.

The President and Wendy Cush joined the Aloha Friday Night festivities on April 15, 2016.

VI. TREASURER’S REPORT

Treasurer Bontorin noted challenges experienced in the transition between management companies. The outstanding amount due from owners has increased slightly. Overall, the Association is in a good cash position and trending in the right direction.

VII. RESIDENT MANAGER’S REPORT

Ms. Allison Royce submitted a written report. She updated the Board on the highlights of the Resident Manager’s Report, including: 1) Men’s bathroom repairs; 2) Solicitation of bids for A1; 3) Repaired two pool pumps; 4) Laundry room upgrades ongoing; 5) Preparing for the upcoming women’s bathroom upgrade; 6) Upcoming sink hole repairs; and 7) Prepping for Building 4 and 5 refurbishment.

The President noted that the work on the Men’s bathroom “looks very nice”. The cost was approximately $400 to $500.

The Board directed the Site Manager to move forward with the work on the Women’s bathroom.

VIII. UNFINISHED BUSINESS

1. Building 4 and 5 Renovation Update

Director Rachkowski had a question about the color scheme of the lanais. Some of the lanais have been painted a darker brown color. It was agreed to move forward with the dark brown at this time.

Doug Wallway, an owner, wanted to join the meeting by telephone; however, the President asked him to forward his concerns in writing in advance of the meeting. An engineer, Mr. Wallway has volunteered to oversee the project. Decisions will need to be made on a daily basis, and it is important that there is someone on site, with knowledge of this type of work. Director Rachkowski recommended a committee be appointed to supervise the project that would include Board Members. Allison Royce is pleased to be working with Mr. Wallway on this project. Mr. Wallway will be a consultant and not decision maker.

 B. Reserve Study

Three proposals for the Reserve Study were submitted, and these were previously submitted to the Board. The President liked the proposal from Hawaii Inspection Group best. The terms were reviewed. The first year’s cost is about $2,500 and the following three years the cost would be about $600 or $700. The President explained the reasons for and the importance of conducting a Reserve Study annually.

The contract with Hawaii Inspection group could be amended to include language like “To proceed with the initial report and pay $645 plus GET for the next two years based on the Board’s acceptance of the initial report."

The benefits of engaging the services of Hawaii Inspection Group were noted.

MOTION: To engage the services of Hawaii Inspection Group to perform a new Reserve Study as per their proposal; and, based on the results of the initial Reserve Study to hire them to perform the following two year’s assessment, as well.

 Jean Rachkowski / Wendy Cush Unanimous Approval

 C. Status of Audit

Mr. Lefler reported it was unclear that the Audit Report for 2013 was approved. Further, it is not clear whether or not an Audit had been conducted since then. He could not find the paperwork. An Audit is currently being performed for the years ending December 31, 2014 and 2015. The Board asked Mr. Lefler to review the Annual Meeting Minutes for 2014 and 2015.

MOTION: To select Bachman & Associates to conduct the Annual Audits for the years 2014, 2015 and 2016.

 David Bontorin / Jean Rachkowski Unanimous Approval

 E. Backflow Preventer / Manhole

The President signed the documents for Mike Silva for the Backflow Preventer. A second document needs to be signed for the Service Manhole Project. Before the President signs the document for the Service Manhole, he would like to consult with Mr. Silva.

 F. Manager’s Unit – 1A

The Resident Manager and the President, with input from other Directors, created a possible floor plan for 1A and what it would look like. The goal was to get apples to apples bids. Ms. Royce has met with a number of contractors for bids. One bid was received, and the Board awaits others.

 G. Smoking Bylaw Amendment

Director Stubbs said that people who smoke impact others. Complaints have been received. She recommended adding a Bylaw designating specific smoking areas onsite. It is a health concern and smoking is an issue on lanais. Options for designated areas were discussed. It was suggested to add smoking policy on the Annual Owners Meeting Agenda. Concern was voiced about enforcement.

In order to proceed, the Bylaws would need to be changed, with a required 67% approval.

MOTION: to change the Bylaws to designate Maui Sands a no smoking property except for specific designated smoking areas and present to the owners to begin the voting process at the Annual Owners Meeting next weekend.

 Shanna Stubbs / Jean Rachkowski Unanimous Approval

 H. Spalling Repair

The Board needs to ratify the contract with Kawika for emergency spalling repairs to the east staircase of Building 2. The repair has been fully completed. The cost was $8,400 tax included.

It was duly ratified by a unanimous voice vote of approval.

Mr. Lefler noted that there were two bids, and the Kawika proposal was the low bid.

IX. NEW BUSINESS

1. Bylaw Amendment

A Bylaw Amendment to decrease the number of Directors serving on the Board to five members was proposed. The reason for the amendment was explained. The goal was to reduce the size of the Board to an odd number of Directors to avoid tie votes. Directors would be serving on staggered three-year terms. In order to change the Bylaws, 67% approval from the owners is required.

MOTION: To present the Bylaw Amendment at the Annual Owners Meeting, with owners given the opportunity to vote by written consent ballot; further, the deadline to vote is one year.

 Jean Rachkowski /Shanna Stubbs Unanimous Approval

 B. Annual Owners Meeting

The Annual Owners Meeting Agenda was discussed.

There will be a party Friday night before the meeting, with food, refreshments and entertainment. Everyone on property will be invited, and it will be compliments of the Association.

The Annual Meeting will be held at the Paki Maui on Saturday. There will be an Organizational Board of Directors’ Meeting following adjournment of Annual Meeting Business.

Ms. Royce is responsible for the refreshments provided at the Annual Meeting.

At the Organizational Board Meeting, Director Stubbs suggested drafting an action plan for the next year.

Director Rachkowski would like to schedule a property inspection, as well.

C. NDI Global

This agenda item was deferred to Executive Session.

 D. Communications

Communications between the Board, owner Bob Jenks, Resident Manager and Hawaiiana were discussed. Mr. Jenks’ concerns have been memorialized in writing. He considered his citation a minor violation, i.e. parking space cone. He asked that the cone be put back.

The President provided background information about the “cone issue”. Mr. Lefler cited the House Rules in this regard.

Round table discussion followed, including the pros and cons and options to resolve the situation.

Ms. Royce asked for clarification and direction. She asked for guidance.

MOTION: To type up a note, letter or correspondence to Bob and Marilyn Jenks that they are allowed a cone at this time.

 Wendy Cush / Jean Rachkowski

Directors Wendy Cush, Rachkowski, Bontorin and John Cush voted yes. Director Stubbs abstained. The Motion passed by a majority vote.

X. NEXT MEETING DATE

The next meeting is the Annual Owners’ Meeting scheduled for next Saturday, April 23, 2016.

XI. ADJOURNMENT TO EXECUTIVE SESSION

The meeting adjourned to Executive Session at 11:01 a.m.

Respectfully submitted,

*Louise Rockett*

Louise Rockett

Transcriptionist