Association of Apartment Owners

Maui Sands I

Board of Directors’ Meeting Minutes

May 16, 2016

Board Members Present: Jean Rachkowski, President; and Rosa McAllister,

(In Person) Secretary

Board Members Present: David Bontorin, Treasurer; and Directors Wendy

(By Telephone) Cush, Robin Smilanich and Shanna Stubbs

Owners Present: Marilyn Jenks, 3D; and Beth Gould, 2A

Other Attendees: Doug Lefler, Hawaiiana Management Company; and Carol Simmons, Recording Secretary

Allison Royce, Resident Manager, joined the meeting around 4:30PM.

I. CALL TO ORDER

President Jean Rachkowski called the Association of Apartment Owners of Maui Sands I Board of Directors’ Meeting to order at 2:03PM. The meeting was held onsite at Maui Sands, Honokowai, Maui, Hawaii.

II. DECLARATION OF QUORUM

A quorum was declared with all 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 May 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

Approval of the April 16, 2016, Board of Directors’ Meeting was deferred until the July 2016 Board of Directors’ Meeting.

V. PRESIDENT’S REPORT

President Rachkowski briefly summarized the first three weeks of being Board President, with two new Board members, and many important projects facing the Association. Updates on these projects are presented in other agenda items of this Board Meeting.

VI. TREASURER’S REPORT

Treasurer Bontorin reported that there was over $180,000 in the Operating Account and approximately $200,000 in Reserves. He affirmed that there are enough funds to cover repairs for Buildings 4 and 5, and that the Association is in a good financial position at this time. He further stated that a Reserve Study would be conducted.

VII. COMMITTEE REPORTS

1. Landscape Committee

There are two landscape proposals in today’s agenda packet: 1) Clean-up of foliage under the stairways; and 2) Replacement of the coconut trees. Cleaning up foliage under the stairwells involves removing the foliage and putting in rock. This project is complicated due to the irrigation system underneath. Larger, smoother rocks are being considered and will require 25 bags of rock at $24/bag. Replacement of the coconut trees is being explored by Ms. Royce. She will be discussing this with Terry and will be considering the kind of palm to be used and the height of the palm. Replacement of the coconut trees will be further discussed at the July meeting to give Ms. Royce time to gather more information. Finances to cover these two projects were discussed in light of other budgetary concerns. Treasurer Bontorin recommended that these two projects be tabled until the completion of Buildings 4 and 5, at which time financial resources to pay for the landscaping upgrades will be available. The Board did agree, however, to proceed with moving the large bird of paradise.

1. House Rules

Directors Stubbs and McAllister are the “point people” for this committee. The goals of the committee are to cleanup and update the Association House Rules. At this time, Board Members are being asked to review the current House Rules and then provide suggestions and recommendations to the committee. A set of House Rules from another Association will be shared with the Board as a point of reference.

1. Web Site

The current web site is not being utilized as much as it could be. It needs to be updated and made more user friendly. The committee has requested information from Hawaiiana to see what they have to offer. This committee will do the research and forward information to the Board for decision-making.

Director Wendy Cush asked for clarification of committee membership. President Rachkowski stated she will resend an email on committee membership sent to Board Members on April 29, 2016.

VIII. UNFINISHED BUSINESS

1. Building 4 and 5 Update

The Board discussed the work on Buildings 4 and 5 and reported that all is going well. Communications with the Project Manager are good. The paint job on the buildings looks good. It was noted that the difference in how the buildings look is “incredible”.

Finances for the concrete repair have reached the max amount. More funds are needed to complete this work.

MOTION: To proceed with the concrete repair at a cost not to exceed $2,000 above the contracted cost as per the agreement signed on 2/17/16.

Robin Smilanich / Shana Stubbs Unanimous Approval

There was also an overrun on the total cost of lead abatement work. It was previously established at $20,000 and exceeded budget by $3,600. In addition, there are eight hours being billed this month at a cost of $600.

MOTION: To accept the overage of $4,200 on the lead abatement cost.

Rosa McAllister / Robin Smilanich Unanimous Approval

The current billing for lead abatement is $23,632.80. The lead abatement is complete. . There was a question regarding whether a deposit was paid to Kawika's over a year ago.

MOTION: To pay the invoice for the lead abatement in the amount of $23,632.80.

Shana Stubbs / Rosa McAllister Unanimous Approval

There was an in depth discussion on whether or not to require carpets on the upper lanais. The contractor is putting on deck sheeting and a covering that makes it slip resistant. The new decking is waterproofed and can be used “as is”. However, carpeting muffles the noise on the floors below, and the House Rules require carpeting on the second floor lanais. President Rachkowski recommended delaying a decision about the carpeting until July, which will allow time after the waterproofing is applied. This will also give the Board time to make an educated decision. Director McAllister stated that the updating of the House Rules will be suspended until this issue is decided.

The railings have been ordered. They will arrive in July and be installed in August. It was decided not to remove the old railings in-house, because it would leave the lanais without railings for a period of time before the new railings are installed; thus, causing a safety hazard. It is uncertain if East West will remove the old railings. Mr. Lefler has twice asked them for a bid, with no response. This issue is pending a bid from East West.

1. Status of Back Flow Preventer/Manhole – Valley Isle Pumping Proposal

There is a proposal from Valley Isle Pumping in today’s packet. The Board decided to solicit another bid before making a decision. A final decision can be made via email and ratified at the next meeting. There was confusion and general lack of understanding about the back flow preventer diagram on the last page of the packet. Mike Silva will be invited to a Board meeting to make a presentation.

1. Unit 1A Remodel Update

MOTION: To ratify the vote to move ahead with the renovation of Unit 1A.

Shanna Stubbs / Rosa McAllister Unanimous Approval

IX. NEW BUSINESS

1. Adopt Professional Code Of Conduct

MOTION: To adopt the Professional Code of Conduct.

Rosa McAllister / Robin Smilanich

There was a discussion regarding the Professional Code of Conduct, enclosed in the agenda packet, before a vote was taken. It was noted that the Code of Conduct is a way for the Board to confirm beliefs on the appropriate behavior of the Board of Directors. Number Three, Professional Courtesy, was read aloud by the President. Confidentiality of the ownership was addressed.

A vote was taken, and the Motion was unanimously approved.

The Professional Code of Conduct will be shared with the ownership by placing it on the web site and through a mailing.

The Motion was then amended to read as follows:

MOTION: To adopt the Professional Code of Conduct, with the signatures of all Board Members.

Rosa McAllister / Robin Smilanich Unanimous Approval

1. Unit 6B – Owner Request For Modification

After installing AC units in the bedrooms of 6B, the owner realized this was a breach of the House Rules. The owner is now requesting after-the-fact written approval from the Board of Directors. The owner also requested an update to the House Rules to permit this type of air conditioning equipment. The Board thoroughly reviewed the request. It was affirmed that this was a breach of the House Rules and Bylaws. It was also noted that past, similar requests have been denied. Options for air conditioning the units were presented.

MOTION: To decline the after-the-fact modification request and the request to change the House Rules, directing the owner of 6B to remove the air conditioners and to put the windows back to their original design.

Robin Smilanich / Rosa McAllister

A vote was taken. There were four yes votes, one no vote and one abstention. The Motion passed by a majority vote.

Mr. Lefler will send a letter to the owner regarding the Board’s decision.

There was agreement among all Board Members that the Board would not insist on removal of the mirrored film on the windows of 6B, as the film was there prior to the current ownership of this unit and would be very difficult to remove.

1. Unit 1F – Owner Request For Parking Modification

The owner of Unit 1F requested that the Association pay for and install a “charging station” for the use of electrical cars, for his own use and the use of others at Maui Sands I. There was discussion of this request. It was decided that a decision doesn’t need to be made at this time, that the request should be denied and that further clarification and information is needed from the owner if another request is made.

MOTION: To deny the current request to install a charging station and to require more detailed information from the owner if another request is made.

Shanna Stubbs / Robin Smilanich Unanimous Approval

1. A-Nutt Proposals (3) for Landscape

The Board has decided to table the landscaping proposals to clean up the foliage under the stairways and to replace the coconut trees, but it will proceed with moving the bird of paradise. The Board noted that the contract with the landscaper should be reviewed. Director Wendy Cush will talk with Ms. Royce about why moving the bird of paradise is not included in the regular contract.

1. Women’s Restroom Proposal

MOTION: To accept the proposal to update the women’s restroom, not to exceed $600.

Shanna Stubbs / Rosa McAllister Unanimous Approval

1. Ohana Pool Proposal for Lighting

The wiring has disintegrated for the light inside the pool. This is a liability and a code issue. There is currently one proposal in the amount of $3,306 from a bid made in 2015. This issue will be deferred until the July Board Meeting to give Ms. Royce time to do the following: 1) To research possible alternatives to the lighting; 2) To obtain clarification of the law/code; and 3) To obtain a second bid.

1. Discussion Topics

Additional building painting was addressed. Painting three sides of the buildings, excluding the lanai side, is an option being considered. It was decided to obtain two different bids: one bid for three sides and one bid for all four sides of the building.

A letter from owner, Bob Jenks, regarding owner call-in to Board Meetings was also considered. There are ways for an owner to call-in and listen-in on mute status, with a means to ask questions but not interrupt meeting business. Mr. Lefler will explore options and report back to the Board.

MOTION: To formally and officially open up Board Meetings to owners via a call-in, listen-in process.

Rosa McAllister / Shanna Stubbs Unanimous Approval

Mr. Lefler will respond to the letter from Mr. Jenks. Mr. Lefler clarified that such communications from owners should first be presented to the Managing Agent and then the Managing Agent will forward to the Board for decision-making. After the Board has made a decision, the Managing Agent is responsible for responding to the owner.

A letter has been received from Doug Wallway regarding termites. The Board decided to have a termite inspection and to obtain several proposals. Ms. Royce was requested to follow up on this.

X. NEXT BOARD MEETING

The next Board Meeting is scheduled for July 9, 2016, at 9:00 a.m.

XI. EXECUTIVE SESSION

The Board moved to Executive Session at 4:37 p.m.

Regular business resumed at 4:57 p.m.

XII. OTHER BUSINESS

MOTION: To hire Keith Lankovsky as an electrician and casual, part time employee, on an as needed basis.

Rosa McAllister / Wendy Cush Unanimous Approval

MOTION: To accept Keith Lankovsky's bid on the electrical work for the kitchen and rental room, not to exceed $3,500.

Rosa McAllister / Shanna Stubbs Unanimous Approval

MOTION: To hire Marie Kimmey at a rate of $150/hour, not to exceed three hours, to work with DLNR and Maui Sands II on the permitting/application process.

Rosa McAllister / Shanna Stubbs Unanimous Approval

XIII. ADJOURNMENT

The meeting was adjourned at 5:00 p.m.

Respectfully submitted,

Louise Rockett

Transcriptionist