

Association of Apartment Owners of The Palms at Wailea
Board of Directors' Meeting Minutes
June 9, 2017

Board Members Present: Bill Newport, President; and Don Hamstra, Treasurer;
(In Person)

Board Members Present: Chris Balog, Vice President; Janna Caughron, Secretary; and
(By Telephone) Directors Bill Rehwald, Jan Davidson, Curtiss Chan and Mary Bizien

Board Member Absent: Donald Leis

Other Attendees Present: Steven Berger, Destination Maui, Inc.; Jeff Marsh, Site
Manager; Matt Swartz, Outrigger; Carol Simmons, Recording
Secretary

I. DECLARATION OF QUORUM

There was a roll call, and a quorum was declared with five Directors present either in person or by telephone.

Directors Chris Balog, Mary Bizien and Bill Rehwald were not present at call to order; however, they later joined the meeting as indicated in the Minutes; thus increasing the quorum number to eight Directors.

II. CALL TO ORDER

President Bill Newport called the Association of Apartment Owners of The Palms at Wailea Board of Directors' Meeting to order at 9:03 a.m. The meeting was held at the Destination Maui Kihei Office Conference Room, Kihei, Maui, Hawaii.

III. PROOF OF NOTICE

It was certified that Notice of the Board of Directors' Meeting was emailed to all Directors of record in accordance with the Association governing documents, and it was posted on property in compliance with Hawaii State Law.

IV. AGENDA REVIEW

MOTION: To approve the Agenda.

Davidson / Caughron Unanimous Approval

V. APPROVAL OF MINUTES

The Board considered approval of the March 3, 2017, Board of Directors' Meeting Minutes. Corrections were noted, as follows:

- 1) Change the second sentence of the Site Manager's Report to read: "A former owner was sent a registered letter informing them of their trespass;
- 2) The last paragraph in the Site Manager's Report, Item 2 should read:

“Replacement of the pool electrical panel and meter.”

- 3) The last paragraph in the Site Manager’s Report, Item 8, should read: “Weather delay in palm tree trimming.”

(Director Rehwald joined the Meeting by telephone at this time.)

- 4) Change the following sentence under Trellis Report to read: He found one contractor who submitted a proposal at a cost of \$59,000 to replace 20 boards.

MOTION: To approve the Minutes of the March 3, 2017, Board of Directors’ Meeting as revised.

Davidson / Caughron Unanimous Approval

VI. PRESIDENT'S REPORT

The President previously emailed a written report to the Board. He asked for questions, and there were none.

VII. TREASURER'S REPORT

Directors previously received copies of the Financial Statement. The Treasurer had questions about some changes in the line items, and Mr. Berger will research. Variances were noted and explained. At the end of the year, it is estimated there will be a slight surplus, rather than the budgeted deficit.

(Director Balog joined the meeting at this time by telephone.)

Treasurer Hamstra noted that the next Board Meeting would be the Budget Meeting. Directors with items wishing to be considered during the budget cycle should inform the President, the Treasurer or Mr. Berger.

Concerns about delinquencies were voiced and will be further discussed in Executive Session.

(Director Bizien joined the meeting at this time by telephone.)

The Treasurer asked if delinquent owners could be prohibited from running for office. Mr. Berger will research the Association governing documents for an answer.

The Board asked Mr. Berger for an update on Association investments and practices being followed.

VIII. SITE MANAGER'S REPORT

The Site Manager updated the Board on administrative and incident reports, maintenance and repair items, pest control treatment, water intrusion events and pool tile failures. The parking lot sealcoat was the major project; it took two weeks to complete as anticipated. Mr.

Marsh said the next sealcoating should be in seven years. The President asked for strict enforcement of leaking vehicles in the future.

Mr. Marsh updated the Board on the status of a landscaping error that occurred on the hillside from Building 3 to Building 6.

With roof tile supplies sourced, the roofer is able to move forward with roof repairs on Building 16 and one other area.

IX. MANAGING AGENT'S REPORT

Mr. Berger reported the status of delinquencies would be discussed in Executive Session. He reported significant progress has been made since the April 30, 2017, financials.

XI. LEAD DIRECTOR REPORTS

A. Pool Deck & Tile Project

The cleaning estimate for the interior pool coping is \$3,740.18. It was noted that pool deck cleaning could be accomplished episodically. Mr. Marsh answered questions the Board had about this project. He recommended commencing the project as soon as possible, i.e., the last week in June.

Director Caughron witnessed problems with the slipperiness of the tile. Mr. Marsh was asked to investigate and respond to Director Caughron's concerns.

B. House Rules

It was agreed that DMI is responsible for providing the most up to date House Rules to the Webmaster in order for them to be posted on the website.

Mr. Marsh is responsible for keeping an updated list of vendors and approved list of materials for different items, like doors, locks, handles and windows, etc. The process was reviewed. As lead Director, Ms. Caughron was directed to prepare and submit for Board of Directors approval procedures for updating the House Rules. New product categories or total changes in materials will be brought to the Board for consideration before they are added to the approved materials list.

XII. OLD BUSINESS

A. Trellis Repair

Mr. Marsh explained how he is budgeting for the trellis repair. The worst beams will be replaced first. Mr. Marsh has asked for a new proposal from the contractor and is awaiting a response. Options other than wood have been explored, including Trex and aluminum, but wood is considered the best material. Mr. Marsh has asked for a new proposal from the contractor, but it has not been received at this time. Mr. Marsh will continue exploring options,

B. Pool Restroom Remodel

Although having solicited several bids, Mr. Marsh has not received any tangible bids on this project; however, he is awaiting one bid. With the current construction environment, seeking bids from contractors has been challenging. One contractor remodeling a unit has agreed to perform the work on a time & materials basis. The Board agreed to award the project to this contractor with a cap on total cost.

MOTION: To award the Pool Restroom Remodel Project at a cost not to exceed \$6,200.

Newport / Davidson Unanimous Approval

C. Mature Tree Strategy & Proposed Policy

Directors received information from Mr. Marsh regarding Mature Tree Strategy and the Proposed Policy. The President commended Mr. Marsh for his thorough work on this task.

Mr. Marsh explained the development of his strategy. He noted the three main criteria for the removal of the green assets: 1) Health; 2) Safety; and 3) Conflict with Infrastructure. Trees are maintained with these three criteria in mind. Director Hamstra considered value to the homeowners the most important criteria. Discussion followed, including strategy on timing of replacement, selection of type of tree for replacement, potential maintenance costs of replacement and view plane considerations. Further discussion on funding was deferred to the Budget Meeting.

D. Unit 1906 Golden Tree Trimming Request

The Golden Tree adjacent to Unit 1906 has overgrown the unit lanai. The tree attracts birds, and the birds leave droppings on the lanai. The owner has requested that the overgrown branches be trimmed back. The owner has engaged an arborist who recommended removal of two major branches. The tree was evaluated with the Mature Tree Strategy in mind. Options were considered.

MOTION: To inform the owner that the Board will monitor the situation and will take reasonable measures to mitigate the bird impact. If the situation recurs at the same level as the previous year, the tree will be removed.

Hamstra / Caughron

There was a unanimous roll call vote of approval.

XIII. EXECUTIVE SESSION

MOTION: To move to Executive Session at 10:40 a.m.

Davidson / Caughron Unanimous Approval

The Board returned from Executive Session at 12:00 PM.

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MOTION: To proceed with the Trellis Repair as presented by the Site Manager.
Hamstra / Davidson Unanimous Approval

MOTION: To approve Pool Deck Cleaning.
Hamstra / Chan Unanimous Approval

MOTION: To approve 2 Island Plant Landscape Refurbishment bids
Hamstra / Davidson Unanimous Approval

MOTION: To approve the renewal of the Association Master Insurance Policy.
Hamstra / Chan Unanimous Approval

MOTION: To approve the Waiver of Late Fees for Unit 801.
Hamstra / Caughron Unanimous Approval

The meeting was adjourned at 12:05 PM.

Respectfully submitted,
Louise Rockett
Transcriptionist

Approved for distribution by
Board of Directors