

Association of Apartment Owners  
Maui Sands I  
Board of Directors' Meeting Minutes  
August 24, 2016

Board Members Present: Rosa McAllister, Secretary; and Director Wendy Cush  
(In Person)

Board Members Present: Jean Rachkowski, President; David Bontorin, Treasurer;  
(By Telephone) and Directors Robin Smilanich and Shanna Stubbs

Owners Present: John Cush  
(In Person)

Owner Present: Doug and Gay Wallway, Laura Cowan and Bob Jenks  
(By Telephone)

Other Attendees: Allison Johnson, Resident Manager; and Deidre Rockett,  
Recording Secretary

Other Attendees: Doug Lefler, Hawaiiana Management Company  
(By Telephone)

I. CALL TO ORDER

President Jean Rachkowski called the Association of Apartment Owners of Maui Sands I Board of Directors' Meeting to order at 2:02 p.m. The meeting was held onsite at Maui Sands, Honokowai, Maui, Hawaii.

II. DECLARATION OF QUORUM

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

III. PROOF OF NOTICE

It was certified that notice of meeting was posted on August 17, 2016.

IV. APPROVAL OF MINUTES

MOTION: To approve the Minutes of July 9, 2016, Board of Directors' Meeting.

Smilanich / McAllister

There were questions about a change noted by Director Stubbs on Page 3, Item D. The Recording Secretary/Transcriptionist was asked to re-listen to this section of the audio file of the meeting to confirm what was said.

Motion tabled.

V. PRESIDENT'S REPORT

The Resident Manager is now residing onsite in the Resident Manager's Unit and is pleased with the newly renovated apartment.

Electrical work has begun on the meeting room near the pool. The Board has agreed on a contractor to paint Buildings 1, 2, 3 and 6. Work is planned to begin in April 2017. Lanai railings for Buildings 4 and 5 arrived. The contractor for installing the rail support block and the railing contractors are drafting a schedule for installation to minimize the amount of time the lanais will be covered.

The Board will be addressing at the meeting deferred maintenance issues, unable to be discussed at the July 2016 Board Meeting.

The President commended the House Rules Committee. Rosa McAllister and Shanna Stubbs have been working on House Rules revisions. Their recommendations will be discussed during Executive Session.

#### VI. TREASURER'S REPORT

Treasurer Bontorin reported the preliminary draft for the Reserve Study has been received. This will help with the Budgeting process going forward, with more informed decisions being made.

The cash position of the Association has increased over the past few months; however, he voiced concern about the Association cash position going forward.

Variances in the Budget were noted and explained. Overall, financially, the Association financial status is as projected.

#### VII. UNFINISHED BUSINESS

##### A. Buildings 4 and 5 Walkway Proposal

A proposal from Kawika's on the waterproofing of second floor walkways for Buildings 4 and 5 was previously discussed at the last Board of Directors' Meeting. The scope includes repair, waterproof and seal. It is now an emergency repair need, and the Board has consulted one another by email on this issue. There is a line item in the Capital Improvement category of the Budget for carpeting and walkways in the amount of \$18,500, and the amount has not been used. The bid is \$28,500. Carpeting over the waterproofing is an additional estimated \$5,700.

**MOTION:** To accept the Kawika's bid to remove the carpeting and surface of the upper walkways of Buildings 4 and 5 and provide new materials, waterproofing, etc. as described in the bid dated July 1, 2016.

McAllister / Smilanich

The Treasurer opposed the Motion. Although this is a priority project, Director Bontorin would like an assessment of the long-term financial needs of the Association before making a decision. Director McAllister explained that conditions of the walkways are

deteriorating rapidly and considered critical. Director Cush voiced concern that other building walkways are in serious condition as well. The Resident Manager rated the conditions of the Buildings by priority of need: 4, 5, 6, 1, 3 and 2. Options to address the problem were assessed.

Directors Rachkowski, McAllister and Smilanich voted in favor of the Motion. Directors Stubbs, Cush and Bontorin voted no. With a lack of a majority vote, the Motion did not pass.

#### VIII. SITE MANAGER'S REPORT

Ms. Johnson updated the Board on completed projects, including: 1) Replacement of Building 2 vents on both east and west sides; 2) Completion of the video inspection of the sewer; 3) Repair of the electric outage in Buildings 4 and 5; 4) Repair of light fixtures by Buildings 1, 4 and 6; 5) Sidewalk light near the pool area upgraded to turn off in the daylight hours; 6) Electric installed in the Clubhouse Meeting room; 7) Office door handle replaced; 8) Ongoing renovation work in 5C, 4F, 2H and 6D; 9) One ballast removal planned on Building 4; 10) Consulted with Reed Lighting for costs related to the repair of broken lights; 11) Ohana Pool installing pool light currently; 12) Coordinating with contractors on railing installation in Buildings 4 and 5; and 13) Start date for the Woman's bathroom facility established second week of September.

#### IX. NEW BUSINESS

##### A. Oceanic Contract

The President noted that the Association has a contract with Oceanic Time Warner expiring September 30. If the Board allows the contract to expire without any action taken, the contract rolls over for the next three years with a small increase in fees. The contract is for cable television service. The cost is current \$2,000 per month. The President said not all 56 owners are paying their fees. If the Association drops the service, the cost to individual owners would be about \$55 to \$65 monthly. The pros and cons of the choices were considered.

Director Stubbs suggested that the owners be surveyed, asking for their preference on this topic.

**MOTION:** To discontinue the contract with Oceanic Cable for the next year; thereby saving the Association \$2,000 per month.

Rachkowski /

The Motion died due to a lack of a second.

With no action taken, the contract will automatically roll over when it expires September 30, 2016.

##### B. Shoreline Certification

The President reported that the Board approved via email to pay the Association portion of the Shoreline Survey. This is the first step in applying for a seawall easement as required by the permitting process. The Association cost is approximately \$585.

MOTION: To approve expending \$585 for the Shoreline Survey.

McAllister / Smilanich Unanimous Approval

C. Termite Tent Fumigation

The Association has received two bids for the termite tent fumigation for the property. This item is included in the Reserve Study. An owner in Building 4 has informed the Association of termite problems.

The bids were reviewed comparatively. There is a \$13,000 difference between the two bids. The warranty time frames are different as well. Director McAllister asked that the bids be clarified. She further questioned the fumigation of the deteriorating storage units. Scheduling was discussed. Advance notice would be given to all owners and tenants.

MOTION: To schedule the termite tenting fumigation of all buildings for September 2017; further, to include the Out Buildings if the bid for this portion of the complex comes in at a reasonable price.

Bontorin / McAllister Unanimous Approval

A decision on the contractor will be made at another time along with the extent of the fumigation.

D. Gutters Proposal

Only one bid to replace the lanai gutters on Buildings 1, 2 3 and 6 was received. The bid includes replacement of the downspouts on Buildings 4, 5 and 6. The Board is awaiting receipt of a second bid before a decision is made.

The Board previously agreed to have the gutters repaired and cleaned in-house. As it has been a long time since the gutters were last cleaned, employees are reluctant to perform the task.

Further discussion was tabled to Executive Session.

E. Walkabout List

The Board previously considered forwarding the Walkabout List for the owners, noting work that has been done as well as work in progress and on the to-do list.

Directors Cush and McAllister will draft a proposed Walkabout List and circulate to the Board for their approval before forwarding to the Owners.

F. House Rules

It was agreed to defer discussion of the Houses Rules to Executive Session.

X. NEXT BOARD MEETING

The next Board of Directors Meeting will be held on October 15, 2016, at 9 a.m. Hawaii Time.

XI. UNFINISHED BUSINESS (continued)

B. Website and Social Media for Maui Sands

Directors received information about the Website and Social Media page earlier today but were unable to review it. Director Stubbs has been working on the website and the Social Media page as provided by Hawaiiana Management Company. Director Smilanich has reviewed and liked the formatting provided by Hawaiian Management Company as part of the cost of their services. There is no additional fee. However, the Board will have to make a decision of who will manage and who will control the website.

MOTION: To appoint Shanna Stubbs as the lead in the development of the Website and Social Media pages.

Bontorin

Further discussion was deferred to Executive Session.

XII. OWNERS' FORUM

There was an Owners' Forum, and the following topics were discussed: 1) Termite fumigation, timing and instructions; 2) Cable contract; 3) Exterior building lighting fails and replacement; 4) Objection to House Rules discussion held in Executive Session; 5) Website; 6) Executive Session rules and topics; 7) Walkway sealing; 8) Walkway safety; 9) Walkway work status, with a request to finish the work; 10) Treatment of owners property; 11) Review of the Revised House Rules by owners before approved by the Board; 12) Building painting color scheme; 13) Window screens "stuck to the building"; 14) Availability of walkway carpet; 15) Contractor availability to install walkway carpeting; 16) Sewer inspection video filmed; and 17) Potential increase in fees.

XIII. EXECUTIVE SESSION

The Meeting moved to Executive Session at 3:49 p.m. Regular business resumed at 4:59 p.m.

XIV. OTHER BUSINESS

MOTION: To not reimburse Dave Stuffer as proof of the expense has not been received.

Cush / Bontorin    Unanimous Approval

MOTION:    To release Doug Wallway from the fine of \$562.36; further, Mr. Wallway will be sent a letter with a request for him to follow the rules from now on.

Stubbs / Bontorin

There was a roll call vote. Directors Stubbs, Bontorin, Cush and Rachkowski voted yes. Director Smilanich voted no. Director McAllister recused herself from the vote. The Motion passed by a majority vote.

MOTION:    To hire Brian at \$40 per hour.

Stubbs / Smilanich    Unanimous Approval

MOTION:    To seek legal review and a legal opinion of the Association Draft House Rules and current Bylaws.

McAllister / Bontorin    Unanimous Approval

MOTION:    To send the two renovation requests to the Association Attorney for review and legal opinion.

Stubbs / McAllister    Unanimous Approval

### XIII.    ADJOURNMENT

The meeting adjourned at 5:01 p.m.

Respectfully submitted,

*Louise Rockett*

Louise Rockett  
Transcriptionist