

ASSOCIATION OF APARTMENT OWNERS  
MAUI HILL  
BOARD OF DIRECTORS REGULAR MEETING  
April 19, 2017

I. Call to Order

President Dick Endean called the meeting to order at 8:30 a.m. at the Golden Nugget, Las Vegas, Nevada.

II. Establish Quorum

Members Present: Dick Endean, Carl Carlson, Alex Cordas, Loren Knott.

Members Absent: CJ Law.

Maui Lea Board: Bob Jacalone, Bill Petro, Tim Ohm, Loren Knott, Dick Endean, Paul DiMarchi.

By Invitation: Dennis Costa, General Manager; Frank Robar & Mike Robar, Maui Lea Co-Plan Manager; Ruth Okada, Aqua-Aston Hospitality, LLC, Managing Agent.

III. Executive Session (concurrent with Maui Lea)

**MOTION #1: Loren Knott moved to go into executive session. The motion was seconded by Alex Cordas and passed by unanimous consent.**

The Board went into executive session at 8:30 p.m. Upon coming out of executive session, the regular meeting resumed at 9:42 a.m. During the executive session, the Board discussed legal and personnel matters.

Owners Present: Rick & Molly Thomson, Gerri Endean, Brad j& Michelin Taylor, Rosemary Jacalone, Naomi Archer, Don Fehnel, George & Donna Jewett, Madonna Petro.

By Invitation: Mark Bass, Stucco Colormatch Corporation

Everyone present introduced themselves.

IV. Approval of Agenda

**MOTION #2: Alex Cordas moved to approve the agenda with the addition of the following topics under New Business:**

1. Owner Car Parking & Storage
2. Feral Cats
3. Use of Property for Weddings, Parties, etc. by Owners/Guests or Non-Owner/Guests

**The motion was seconded by Loren Knott and passed by unanimous consent.**

V. Approval of Board Meeting Minutes – 1/20/17 Meetings

**MOTION #3: Loren Knott moved to approve the minutes of the 1/20/17 Regular meeting as circulated without change. The motion was seconded by Alex Cordas and passed by unanimous consent.**

VI. Manager's Report

Due to the presence of Mark Bass of Stucco Colormatch Corporation a change in the agenda was made to discuss this project and review the process. Mark reviewed the following and general discussion followed:

- Will send a crew of three to complete this project.
- Mark will periodically review the progress to ensure completion.
- The wall preparation will be done by hand and then the product will be sprayed on utilizing a compressor. They will be sensitive to the noise level of their equipment.
- A local contractor (Imua Builders) will be used since State licensing is required for this work and Mark will have a consulting agreement with the local contractor. His company will also be the material supplier. Loren Knott will review whether Stucco Colormatch can be a co-contractor with Imua so that they are also legally bound. The consulting agreement will also be reviewed by the Board.
- Areas that have already been painted over the stucco will be prepared differently so that it will mimic natural stucco.
- A supplier release will be provided to Imua to ensure that they are paid.
- AOAO's legal counsel will review the contract.
- Dick asked Mark to look at the color sample that has been painted on the building as there is some discoloration.
- Warranty is 3 year for anything other than surface dirt.
- Work will start 3 weeks after the contract is signed.
- Work will be Monday through Friday from 7 a.m. with equipment noise not to start before 9 a.m.

Mark Bass departed.

#### VII. Treasurer's Report

Carl Carlson reported on the following.

1. Financial

- A. Review – Reviewed the February 2017 financials. General discussion followed.

**MOTION #4: Alex Cordas moved to approve approximately \$20,000 for the black jack edging and gravel project around the buildings. The motion was seconded by Carl Carlson and passed by unanimous consent.**

- B. Lease Rent Annual Adjustment – Ruth Okada advised that the letter from the Lessor was received and sent to the owners for the adjustment in the lease rent for March 2017 with the new rates for April 2017.

2. Investments – Ruth Okada updated the Board on the status of the rebidding.  
3. Delinquencies/Collections (if any, to be discussed in executive session)  
4. Budget & Reserve Study – Deferred to the end of the meeting.

#### VIII. Standing Committee

1. Architectural Review – Dick Endean reported that there were no owner requests for renovations.

#### IX. Ad Hoc Committee

1. Energy Conservation – Alex Cordas reported on the following.

A. Solar –

a. Status

- HNU Energy contract signed for the maintenance & administration buildings with added car ports. HNU is responsible for the maintenance of the system during this contract period. Estimated life of the system is 20 years.
- Company now performing their due diligence.

- 12/31/17 projected completion date.
  - Within the next month HNU should have a schedule for Dennis.
  - Carts will be charged by battery which has been charging during the day.
  - Rate is \$.25/Kwh. Currently paying MECO \$.28/Kwh. Contract guarantees that Maui Hill will never pay more than MECO rates.
  - The owners will be notified of the addition of the carports, although it appears that there is no adverse effect for any units. The superimposed pictures will be sent to all owners with the annual meeting notice.
  - Builder's risk insurance would cost \$2,500 to protect Maui Hill's insurable interest for the material fixtures and equipment during the construction, however after review with the insurance agent, it was determined that this coverage, if any, should be provided by HNU as it is their equipment with Maui Hill not buying any insurance.
  - Dennis will coordinate and advise all occupants of the construction dates. Nancy Benson will advise the owners and the trades of this construction.
  - Alex is hoping to be at Maui Hill to meet the transition team with HNU.
  - Thanked Dick, Alex & Dennis for their diligent work on this project.
- b. Roof Work & Electrical Work Not Covered by PPA (Approved \$25,000)
- c. Other CAMS – Will not address at this time.
- d. Timeshare & Whole Units – Will not address at this time.

X. Manager's Report

Dennis Costa reviewed his manager's report and reported on the following.

1. Stucco Colormatch Exterior – Status (Approved \$300,000 includes housing & Landscaping) – Discussed earlier.
2. Project Status
  - A. Capital Reserve Budget Expenditures (subject to approval of actual bids):
    - a. Lobby Nylon Canopy - \$6,120 (not necessary at this time)
    - b. Pool Furniture - \$19,680 – (not necessary at this time)
    - c. Pool Pump - \$5,760 – (not necessary at this time)
    - d. Spa Retile – (Approved \$7,680) (not necessary at this time)
    - e. Tennis Court Resurface & Restripe (Approved \$11,520) – Completed \$11,458.26
    - f. Asphalt Seal, Stripe & Repair - \$88,680 (not necessary at this time)
  - B. Other Projects
    - a. Shuffleboard Surface – Replacement with the same product.

**MOTION #5: Loren Knott moved to approve \$5,350 to replace the shuffleboard surface as a capital expense. The motion was seconded by Alex Cordas and passed by unanimous consent.**

3. Hawaii Gas Contract – A copy of the proposal from Hawaii Gas was distributed to the Board for review

**MOTION #6: Loren Knott moved to approve the proposal from Hawaii Gas for the following:**

- Installation of a 499 gallon LP tank with dispenser pump and apparatus
- LP Gas base rate of \$3.00 per gallon excluding tax based on an amendment of the existing LPG Purchase Agreement with AHR Hospitality Partners, Inc. to include the Maui Hill with an estimated consumption of 3,500 gallons annually

- **Maui Hill contribution of \$5,000 towards tank installation**
- **Hawaii Gas to coordinate installation of required electrical connections and parking protection at additional cost to customer. Estimated additional cost to customer for trenching, electrical and bollard installation is approximately \$10,300**
- **Hawaii Gas to secure tank installation permit**
- **Hawaii Gas to provide on-site LP Dispenser Training for Maui Hill staff**

**The motion was seconded by Alex Cordas and passed by unanimous consent.**

The Board asked that this be expensed to capital. Ruth Okada will verify if it qualifies as a capital expense.

4. Pool Deck Astroturf – Dick Endean noted that at the Residence Inn there was nice Astroturf around the pool area. Dennis Costa has also been reviewing other possibilities for the deck. General discussion followed on Astroturf around the pool noting that it is slippery when wet. An owner suggested looking at Shaw Industries who sells Astroturf. He will provide their contact information to Dennis.

The meeting was recessed at 11:35 a.m. and resumed at 12:45 p.m.

#### XI. New Business

1. Feral Cats – General discussion followed on the increase in the number of feral cats on property. Dennis Costa will trap them and take them to the Humane Society. Dennis will talk to Donya about feeding the feral cats.
2. Car Parking – General discussion following on the number of stalls that owner occupants are allowed. Dennis Costa reported that there is a unit that has 3 vehicles and a motorcycle. He has asked them to reduce down to 2 vehicles, but there has been no compliance. Loren Knott will draft a letter to the occupant and ask that the 3rd vehicles and motorcycle be removed from the property or the 3<sup>rd</sup> vehicle to be parked in the stored parking paying \$35 per month with a one year contract like other owners and the motorcycle to be parking in one of the vehicle stalls no later than by 7/1/17.
3. Weddings – Dick Endean explained that Maui Hill is being used for weddings. General discussion followed on whether this should continue to be allowed and whether the pool area can also be used.

#### **POLICY**

**MOTION #7: Alex Cordas moved to allow the grassy area in the center courtyard for special functions. The exact location, the number of attendees and the charge for this use will be determined at the sole discretion of Dennis Costa with notification to the Board prior to the event. The motion was seconded by Carl Carlson.**

Discussion: It was noted that these functions should not cost the Association anything

**The motion passed by unanimous consent.**

4. Termite Activity (inspections & treatment included in operating budget) – Dennis Costa reported there is activity but it is not serious. Will continue to monitor and add the access panels on the 3<sup>rd</sup> floors.
5. Cushions for Pool Chaise Lounges – Dennis Costas reported that the new cushions are more durable, but not in high demand. The company's minimum order is 50 cushions at \$232 each. General discussion followed on the cushions and the cushions on the swing. Dennis will obtain a quote for discussion at the September meeting.

**XII. Unfinished Business**

1. Lease Extension – Discussed in Executive Session.

**XIII. New Business (cont.)**

1. Budget & Reserve Study – The Budget Committee's budget and reserve study were distributed to the Board for review. General discussion followed and changes were made. It was noted that the truck requires a major service for approximately \$3,000. A golf cart for Dennis Costa should also be purchased to allow him to have better access to the property.

**MOTION #8:** Carl Carlson moved to purchase a golf cart for \$11,200 allocated 1/3<sup>rd</sup> each to the AOA, Resort and Timeshare for Dennis Costa as a capital expense. The motion was seconded by Alex Cordas and passed by unanimous consent.

**MOTION #9:** Carl Carlson moved to approve approximately \$3,000 to service the truck allocated 1/3<sup>rd</sup> each to the AOA, Resort and Timeshare. The motion was seconded by Alex Cordas and passed by unanimous consent.

**MOTION #10:** Carl Carlson moved to approve the budget effective 7/1/17 and a 4.01% overall increase in Association fees with the following annual amounts:

**Operating:**

Maintenance Fees - \$1,297,560  
Total Revenues & Expenses - \$1,437,780

Wages – 3% increase on 4/1/18

Management Fee – 0% increase as of 4/1/18

**Major Repairs & Replacement (\$21,360):**

- Continuous replacement of the hallway carpets - \$3,960
- Irrigation Well Repairs - \$3,000
- Pool Deck Repairs - \$960
- Walkway Repairs - \$960
- Upgrade to Landscaping - \$2,520
- Roof Repairs - \$9,960

**Capital:**

Capital Contribution - \$70,500  
Total Revenues & Expenses - \$71,400

**Capital Reserve Expenditures Budget \$466,200 (subject to approval of actual bids)**

- Stucco Resurface \$300,000
- Wood Surfaces – Eves/Arch (Seal) \$117,120
- Pool Furniture \$12,000
- Pool Pump \$5,760
- Pool Safety Vac Release System \$5,280
- Spa Heat Pump \$7,200
- Propane Gas Tank \$15,000
- Golf Cart (General Manager) \$3,840 (shared 1/3 with Resort & Timeshare)

**Reserve Study – Funded at 85% as of 7/1/17**

**The motion was second by Alex Cordas and passed by unanimous consent.**

The Board also asked Dennis to review staffing. This topic will be added to the executive session agenda for the September meeting.

**XIV. Next Meeting**


1. Board – 9/28/17 Following Annual Owners Meeting
2. Annual – 9/28/17 9:00 a.m. (8:30 a.m. registration)

**XV. Adjournment**

**MOTION #11: Carl Carlson moved to adjourn the meeting. The motion was seconded by Loren Knott and passed by unanimous consent.**

The meeting was adjourned at 4:22 p.m.

Approved by:

  
\_\_\_\_\_  
Alex Cordas, Secretary  
Board of Directors

  
Ruth Okada  
Recording Secretary

Approved by the Board of Directors on 09/28/17