DRAFT
Kaanapali Royal Association of Apartment Owners
Board of Directors' Meeting Minutes
January 8, 2016

Board Members Present:	Richard Beck, Bob Pure, Tom Perkins, Doug Duckworth, Ed Kelly, and Rod Conklin
Board Members Absent:	Rick Little
Owners Present:	Pam Harris, C201; Jeff Gray, M202; Jim Basolo, M303/ Diane Pure, C303; Jeff Caputo, G301; Ray Grace, A101; Chuck Fedak, A202; Meri Fedak, A202; Stacy Wimpney, Q303; and Marion Roszell, Q303.
Other Attendees:	Dave Ferguson, Management Consultants of Hawaii; Charles D. Philips, General Manager; and Deidre Ruiz-Rockett, Recording Secretary

I. ROLL CALL

There was a roll call of Board Members.

II. PROOF OF NOTICE

It was certified that Notice of Meeting was posted on property on January 4, 2016.

III. DECLARATION OF QUORUM

A quorum was declared with six Directors present.

IV. CALL TO ORDER

President Richard Beck called the Kaanapali Royal Association of Apartment Owners' Board of Directors' Meeting to order at 9:05 a.m. The meeting was held onsite, Kaanapali, Maui, Hawaii.

V. INTRODUCTIONS

At the President's request, new owners introduced themselves at this time.

VI. APPROVAL OF MINUTES

The Minutes of the October 8, 2015, 2015, Board Meeting were reviewed. On the Motion for the 2016 Budget, the motion should show a split of $10 on the Operating Budget and $10 on the Reserve Budget versus $5 and $15. Also there was a "typo" on page 2.

MOTION: To approve the Minutes of the October 8, 2015, Board of Directors' Meeting as amended.

Perkins/Pure Unanimous Approval

VII. OWNERS' FORUM

There was an Owners' Forum, and the following topics were discussed: 1) Commendation for the new parking lot; 2) Recommendation to report broken lights to Mr. Philips' office; 3) Commendation for the removal of shrubs along the driving range; 4) LED lights; 5) Re-mounting of mushroom lights around the pool; 6) Adding rocks along the edges of the pavement; and 7) Commendation of greenery growing up along the sidewalk.

VIII. PRESIDENT'S REPORT

The President noted that all the reports will be abbreviated today due to the Annual Meeting tomorrow, at which time reports will be more in depth. President Beck commended Mr. Philips and the staff for their great work on the parking lot project. The staff continues to fix curbing, which is saving the Association a lot of money. The President stated that the property has improved and that the landscape looks great.

IX. GENERAL MANAGER'S REPORT

Mr. Philips submitted a two-page General Manager's Report dated January 8, 2016, updating the Board on projects and activities. He highlighted the following to update the Board today: 1) Plans to become more proactive with landscaping, to include planting more color; 2) A tentative schedule in August for asphalt seal coating, at which time the parking lot will be closed and cars relocated; 3) A commitment to place House Rules' signage in all rental units; and 4) Notification that a set of two small trash cans, required for rental unit bathrooms, can be purchased in Mr. Philips' office for $17.00.

X. MANAGING AGENT'S REPORT

Mr. Ferguson provided an update on insurance. Insurance renewal is due February 1, 2016. The property policy will be for the same amount of coverage with a $903 reduction in annual premiums. The deductible amounts will remain the same. Mr. Ferguson noted that a big part of this reduction was due to not having any plumbing problems, which is a result of being proactive and "doing it ourselves".

XI. COMMITTEE REPORTS

A. Communications Committee

Director Pure reported that the website is appreciated and is being utilized. He noted that there is a ride share section on the website to help people connect to share rides to and from the airport.

B. Rental Advisory Committee

Director Kelly reported that there is a new law requiring rental units to have the tax I.D. posted on the website and on any advertisements. The law also requires information on the unit's on-island contact. There is a statutory fine of $500/day for the first violation, $1,000/day if warned and not fixed, and $5,000/day for a third warning. The tax I.D. number and on-island contact should be posted on the website and in the rental until itself.

C. Energy & Technology

Director Perkins reported that there had been plans to replace lights around the property, to save energy, but the cost savings do not justify the cost of new fixtures. Consequently, Mr. Philips will "beautify" the fixtures already in place, which will be a nice upgrade with no big energy savings. The committee is waiting to see what will happen with Time Warner Oceanic in hopes of eventually "bundling" services and saving some money.

D. House Rules

There are no changes in House Rules. Signs were updated for changes made last year.

E. Building & Grounds

This committee report will be covered in the Annual Meeting tomorrow. Palapas will be replaced and will look the same except that the material is synthetic, which will last longer.

F. Finance

Treasurer Duckworth stated that it was a very good, very solid year. He reported approximately $1,300,000 in revenues, and that the Association was $24,000 "in the black". There was $79,000 in revenues from parking. Later this year, the Association will surpass $700,000 in fees. The electrical came in approximately $1,500 under budget. New dues went up $20 for the year, with $10 going into the Operating Budget and $10 into the Reserves.

The Reserve level, as of the end of the fiscal year on November 30, 2015, was approximately $575,000 in cash. He noted that the Reserves are replenished by $196,000 per year. The Association is in sound financial condition. At this time, there is one major project on the books: the tennis courts. Otherwise, all other projects are fairly low cost.

G. Professional Services

Director Beck reported that the Board has "settled some things this year, with only one left open".

H. Architectural Review

There has been a lot of remodeling during the year. No one has been turned down for a request to remodel. The Board simply wants to know what is happening. When there is any big remodeling, the Association is proactively changing the pipes on the drain lines.

XII. UNFINISHED BUSINESS

A. Pool Golf Ball Net

The netting will be replaced at the end of January.

B. Pool Heater

There has been discussion of adding a pool heater, with a target of 82 degrees minimum, for a three to four month period during the winter months. Also, there have been complaints about the pool getting too hot in the summer months with the goal of shutting off the solar, to turn off the pool heating, during those times. The cost of adding a pool heater is approximately $15,000, with $3,000 to $4,000 per year in extra propane costs. These are rough numbers. The Board will ask Mr. Philips to research and get bids and come back with a proposal of how to get the pool temperature to a minimum of 82 degrees during winter months. If the pool is to be heated, it will need a solar blanket on top, at night, to conserve night time loss. It was decided, at this meeting, to go ahead and purchase the solar blanket. Mr. Philips was asked to do this.

XIII. NEW BUSINESS

A. Tennis Court Re-Surfacing

The tennis courts are not being used a great deal. They are in poor condition but are a part of the common elements. The Association has an obligation to maintain them. There is $29,000 to $30,000 in the budget to re-surface the tennis courts. Unfortunately, this is a gross underestimate of the actual costs. The Board has contacted All Courts Lahaina, the only major court re-surfacer on Maui. They have provided an assessment, which is approximately $100,000 to correct and resurface. Otherwise, the courts will deteriorate to the point where the costs will be a lot more to dig them out and replace everything. Consequently, the Board is looking at soliciting quotes on re-surfacing the courts, adding pickle ball lines, repainting the entire area and refurbishing the bathrooms. It will be a comprehensive project, which will take five weeks at the most to complete. Mr. Philips will obtain another quote from Oahu to get a secondary opinion and bid. The Board is currently exploring options to finance this project. Other options for the tennis courts were explored and deemed unreasonable. It is believed that the problem should be fixed versus applying a band aid. A little money could be spent to make it look good for a few months, or a lot of money can be put into this project making it look good for many years. A premier court is being recommended with a life expectancy of 25 years. It was noted that in 1979, this property was promoted with a swimming pool, spa, Jacuzzi and tennis courts. It is an amenity that sells the property. Moreover, it would take a 75% owner vote to change the use of the tennis courts. The Board believes that this project should be done this year. It is the big project of the year. Mr. Philips has been asked to obtain firm bids/firm numbers.

XIV. OTHER BUSINESS

A couple of owner issues were raised and discussed at the end of this meeting to include: 1) A comprehensive discussion on cracked pipes, replacing plumbing pipes, causes of leaks and fixes for leak problems; and 2) The landscaping along the highway at the entrance.

XV. NEXT MEETING DATE

The next meeting of the Board of Directors is the Organizational Meeting on January 9, 2016.

XVI. ADJOURNMENT

The meeting was duly adjourned at 10:19 a.m.

Respectfully submitted,

Louise Rockett

Louise Rockett
Transcriptionist