

Kaanapali Royal Association of Apartment Owners
Board of Directors' Meeting Minutes
October 13, 2017

Board Members Present: Rick Little, President; Bob Pure, Vice President; Jim Basolo, Secretary; Doug Duckworth, Treasurer; and Directors Matt Kinney, Richard Beck and Rod Conklin
(In Person)

Owners Present: Diane Pure, C303; Ken and Sharon Loveland, C301; Allen Cook, D201; Rick Anderson, D202; and Mike and Laura Burns, C102

Other Attendees: Dave Ferguson, Management Consultants of Hawaii; Charles D. Philips, General Manager/Resident Manager; and Louise Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with seven Directors present.

II. CALL TO ORDER

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

III. PROOF OF NOTICE

It was certified that Notice of Meeting was posted on property on October 6, 2017, in accordance with Hawaii State Law.

IV. APPROVAL OF MINUTES

There was a correction to the Minutes of the May 6, 2017, Board of Directors' Meeting.

MOTION: To approve the Minutes of the May 6, 2017, Board of Directors Meeting as corrected.

Basolo / Kinney Unanimous Approval

V. INTRODUCTIONS

Introductions were made at this time.

VI. OWNERS' PRESENT

With lots of noise generated by large parties at the pool recreation area, Rod Conklin had questions about the number of persons permitted at these types of functions. According to the House Rules, ten persons per social function are permitted. It was suggested that owners be reminded about the rules in this regard.

VII. PRESIDENT'S REPORT

The President reported that there were major projects conducted during the past few years. This year, however, it has been quiet in this regard.

VIII. SITE MANAGER'S REPORT

Mr. Philips submitted a written report dated October 13, 2017. The North Plant service access hatch is scheduled for replacement, at which time the two cooling towers will be "shut off". This will impact H through Q Buildings. Owners will be notified when a shipping and delivery date has been established.

IX. MANAGING AGENT'S REPORT

Mr. Ferguson updated the Board on Legislative activity stemming from the 2017 Legislative Session.

X. COMMITTEE REPORTS

A. Communications

Director Pure updated the Board on the status of the Website, including posting notification of new owners in the complex and owners who have sold their units. He further updated the Board on community activities including the Maui Marathon, status of the Kaanapali Golf Course Revitalization Project, construction of single-family subdivision across the street on the mauka side of Honoapi'ilani Highway, construction of West Maui Hospital on hold and update on traffic situation on West Maui. Director Pure answered questions the Board had.

B. Rental Advisory

Director Beck reported the Transient Accommodation's Tax is increasing 1%. This information has been posted on the Website. Total Taxes to guests will now be about 14.3417%, commencing in January 2018. The additional 1% will be allocated towards the payment of the Honolulu Light Rail.

C. House Rules

There were no changes or updates to the House Rules. Parking fees for visitors remain constant.

Smoking policy was discussed, including medical marijuana. There was an owner vote in the past to ban smoking on lanais, and it did not pass by the required percentage of owners. There is a designated smoking area at the tennis court area. Some smoke in the upper parking lot. This topic will be added to the Annual 2018 Owners' Meeting Agenda.

D. Building & Grounds

Persons on this committee are Rod Conklin, Rick Little and Chuck Phillips.

Director Conklin reported on the operations of the Air Conditioning system. Owners are responsible for the maintenance of their unit AC; air handlers. This topic will be further

discussed at the Annual 2018 Owners' Meeting.

Director Conklin noted owners are responsible to remove the old hot water heaters when replaced.

E. Finance

Persons on the finance committee are Directors Duckworth and Basolo.

The Association is in sound financial health as of year-end. Income has increased, with parking fees an ongoing source of the revenue stream. Variances, both over and under target, were noted and explained.

In November, a major expense is anticipated for the North Plant in the amount of about \$125,000. Money for this project will be allocated from the Reserve Fund.

Accounts receivable was discussed. All 105 units are now current.

Upgrades are planned, including replacement of the lounge chairs and upgrade of the barbecue equipment. These items are included in the Reserve Fund.

Budgeting and Reserve funding strategy was discussed.

As an aside, it was noted that there is one unit on property currently listed for sale. The listing is in C Building for \$775,000.

F. Professional Services

There is currently no open litigation. Most of the legal fees during the past few years have been associated with the collection of past due accounts.

H. Architectural Review

Directors on the Architectural Review Committee are Rod Conklin and Rick Little. There have been four applications for Architectural Review since May.

XI. UNFINISHED BUSINESS

A. Sealcoating Parking Area

This work has been completed. It was noted that there are funds in the Reserves to sealcoat the parking lot and tennis courts every five years.

XI. NEW BUSINESS

A. 2018 Budget

Directors Duckworth and Basolo reviewed the draft 2018 Budget thoroughly and previously presented to the Board.

MOTION: To increase the dues \$45 per month.

Duckworth / Pure Unanimous Approval

Treasurer Duckworth projected that going forward there will be an increase in 2019 as well. He noted the reasons for the raise in fees, including increases in utility costs, inflation and labor to name a few.

X. NEXT MEETING DATE

The next Board of Directors' Meeting will be held on January 12, 2018.

XI. ADJOURNMENT TO EXECUTIVE SESSION

The meeting adjourned at 10 a.m.

Respectfully submitted,

Louise Rockett

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Transcriptionist