

DRAFT
Kaanapali Royal Association of Apartment Owners
Board of Directors' Meeting Minutes
May 4, 2018

Board Members Present: Richard Beck, Vice President; Jim Basolo, Secretary;
(In Person) and Directors Rod Conklin and Bob Pure

Board Member Present: Matt Kinney, President; and Glenn Bodinson, Director
(By Phone)

Board Member Absent: Doug Duckworth, Treasurer

Owners Present: Diane Pure, C303; Ken Greenman, H202; Blake and Jill Wells,
B102; Norman Engelman, J303; Timothy S. Boyd, Q202; Mike
Wrigglesworth, K101; Jeff Gray, M202; and Jerry Jackson,
F301

Other Attendees: Dave Ferguson, Management Consultants of Hawaii; and
Louise Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared with six Directors present.

II. ANNOUNCEMENT

Vice President Beck announced former Director and President Rick Little sold his residence at Kaanapali Royal and is no longer eligible to service on the Board. Vice President Beck recognized Mr. Little for his service and contributions.

III. CALL TO ORDER

Vice President Richard Beck called the Kaanapali Royal Association of Apartment Owners' Board of Directors' Meeting to order at 9:06 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 April 27, 2018, in accordance with Hawaii State Law.

IV. APPROVAL OF MINUTES

MOTION: To approve the Minutes of the January 12, 2018, Board of Directors Meeting.

Basolo / Pure Unanimous Approval

MOTION: To approve the Minutes of the January 13, 2018, Annual Owners Meeting as to form and content.

Pure / Conklin Unanimous Approval
MOTION: To approve the Minutes of the January 13, 2018, Organizational Board of Directors Meeting.

Basolo / Conklin Unanimous Approval

V. OWNERS' FORUM

There was an Owners' Forum.

Mike Wigglesworth petitioned the Board to reconsider the "no golf carts on property" rule. He noted the reasons why he would like a golf cart. He asked the Board to determine the demand. Further, Mr. Wigglesworth cited the costs of a new golf cart and the how they operate with six regularly charged batteries. He noted the challenges owners, who are not fulltime residents, would have in maintaining the golf cart if not onsite. Further, Mr. Wigglesworth listed places where the golf carts could be stored with nearby electrical outlets available. The estimated cost for the average golfer to charge the equipment would be about \$300 per year. He included maps of parking / storage available with his presentation.

Discussion on the petition ensued, including the pros and cons, polling the owners, charges, assignment of parking, potential guest usage, electric only carts, number of carts on property, logistics and insurance and liability.

Director Pure volunteered to work with Mr. Wigglesworth to draft a letter to the owners, presenting the "facts", answering questions and seeking a gauge on demand.

Other Owners' Forum topics were discussed, including: 1) Possible use of the room under the stairs on the first level by third floor owners for storage purposes; 2) Upgrade and enhancement of property entrance, including the gate, sign, walls, planting and lighting; 3) L Building and K Building lights; 4) Suggestion to replace outdated exterior lighting; 5) Investigate MECO subsidy program to replace exterior lighting with LED fixtures; 6) Proposal to upgrade barbecue area; and 7) Potential to install electric car charging stations.

MOTION: To allocate \$10,000 to update the entrance to include the gate, wall, lighting and signage.

Beck / Conklin

The Motion passed by a majority vote. Director Kinney was not on the telephone at this time to vote.

VI. VICE PRESIDENT'S REPORT

Vice President Beck updated the Board on staffing challenges since the January Meeting. Kehau has not been well and will not return until the beginning in June. A temporary person has been hired to fill the Front Desk position. The temporary office person is writing a Front Desk Procedures' Manual.

One of the Security Guards was in a "terrible automobile accident" in October. He is

anticipated to return to work on May 19, 2018. The other guard has left his position at Kaanapali Royal. Two new guards, in the interim, have been hired. Challenges with new personnel were noted.

When the General Manager passed away, the strategy was to consolidate two positions with staff already onsite to manage the property. The Vice President updated the Board on the success of this tactic. The Board will further discuss personnel matters during Executive Session.

With a number of feral cats on site, a policy was drafted and recently mailed to all owners.

There has been sewer problems experienced in the M and F Buildings, with people disposing of items not appropriate for the drains. Additionally, some of the pipes are old and split. Options to address the situation are being explored and tested. Director Conklin outlined maintenance measures to take to avoid these problems, plumbing-wise. Other alternatives were evaluated, like replacement of some of the toilets.

VII. MANAGING AGENT'S REPORT

Mr. Ferguson recently attended a Security Seminar. He met a young man who recently started a security company on Maui. Mr. Ferguson gave the information to the Board. Until a new service is hired, the Association will continue with Delta Security. Mr. Ferguson is monitoring the activities of the 2018 Legislative session.

VIII. COMMITTEE REPORTS

A. Communications

Director Pure updated the Board on the status of the community activities. He is lobbying the legislature for funds to extend the Lahaina Bypass to Kaanapali. Director Pure reported that Maui has 1.9% unemployment, with 70% of all employees serving the visitor industry. There is a lot of competition in the marketplace for good help. There was no update on the construction of the hospital, with no funding sources currently available.

B. Rental Advisory

Based on the first quarter income of parking fees, there has been a healthy occupancy at Kaanapali Royal. With regard to the legislative session, pressure has been made to raise the Transient Accommodations Tax to fund the Rail Project on Oahu. He suggested owners visit the mauiNOW.com website to learn about legislative activities and other visitor newsworthy items in the State. The County is investigating reports of transient rentals in neighborhoods, with a high demand for residential housing units needed.

C. Energy / Technology

Director Conklin reported replacement lighting options for the square post lights are under investigation.

D. House Rules – Feral Cat Policy

Diane Pure volunteered to address the burgeoning Kaanapali Royal feral cat colony population. She provided background information about the history of problems in this regard in Hawaii.

With approval from the Board, Mrs. Pure hired Neighborhood Cats of Hawaii. The non-profit was hired also by a number of neighboring resorts to provide an assessment of the feral cat colonies in Kaanapali. The Kaanapali Royal feral cat colony population is 21, the highest in the resort community. The reason, Mrs. Pure said, is because the visitors are feeding the cats. The goal is to eventually reduce the population to six or seven.

A program to control the population has been initiated; ten cats were spayed, and seven cats were already spayed. A recent letter was sent to all homeowners to cease feeding activities, and there has been cooperation.

The cats are fed on a schedule; two stations at one designated location. Mrs. Pure explained how this measure would control the feral cat population. Diane Pure urged owners to recognize Roberto and Orlando for their carpentry work in this regard. She encouraged the Board to enforce the new policy to prohibit feeding the cats on property except at designated areas by designated volunteers. Rental agents and guests have been made aware of the new program at the resort. The Association is adhering to the rules of the Humane Society in this regard. It was noted that the feline population helps to control the infestation of rodents and other pests. Volunteers to assist in the feeding and buying food have been helpful.

E. Building & Grounds

Director Conklin explained how a list of maintenance items was drafted, giving the staff incentive to work harder and complete tasks. The staff finished the list within 30 days. The committee is pleased with the performance of the crew.

Director Conklin reported on projects and activities: 1) Replacement of grass behind fencing as well as plants; 2) Repair of fence; 3) Installation of lighting by J Building; 4) Trellis replaced; 5) Landscaping and aesthetic enhancements by the entry gate; 5) Exploring options to upgrade the entry area; 6) Correction of ongoing lighting issues; 6) Suggestion for owners to report exterior light outages; 7) Owners should report items hanging from lanais to the Front Desk; and 8) Reason for water overage in January.

A request to change the pool hours from 10 p.m. to 9 p.m. was considered. The barbecue is open to 9 p.m. The owners will be polled on preferences. There was a suggestion to add instructions to the trash areas. Recycling opportunities, including cardboard, are available but limited.

Concerns about violations with regard to items left on lanais were noted. Enforcement was encouraged.

F. Finance

For the first four months, the Budget has been operating in a positive direction, over \$37,000 ahead of budget. Income and expense variances, both over and under target, were noted and explained. The Reserves are \$14,000 ahead of plan. The Association is in strong

financial health. Director Basolo answered questions the Board had. Accounts receivable is in fine condition as well.

G. Professional Services

There are no legal matters before the Association.

H. Architectural Review

Director Conklin reported during the first three months of 2018, there were four requests for remodeling, mostly minor. The goal of the committee is to track, document and file remodeling activity.

IX. UNFINISHED BUSINESS

A. Pool Rules

The President requested this item be included on the Agenda; however, he was not available to explain the reason for its inclusion. There were concerns about young children allowed to use the Jacuzzi voiced.

X. NEXT MEETING DATES

The next Board of Directors' Meetings are scheduled as follows: October 12, 2018; and January 11, 2019. The Annual Meeting will be held on January 12, 2019.

XII. ADJOURNMENT TO EXECUTIVE SESSION

MOTION: To adjourn to Executive Session at 10:47 a.m.

Beck / Pure Unanimous Approval

Louise Rockett

Transcriptionist