

**ASSOCIATION OF APARTMENT OWNERS OF
WAILEA FAIRWAY VILLAS
BOARD OF DIRECTORS MEETING
Friday, October 20, 2023**

DIRECTORS PRESENT: Mary Jurkonis, President; Rick Duguay, Vice President; L.A. Bannowsky, Treasurer; Renee Stigers, Secretary; Reuven Gitter, Joe O'Donnell, and Marc Warenski, Directors.

OTHERS PRESENT: Steven Berger, Site Manager.

OWNERS PRESENT: Tim Engberg, Y201; John and Joan Moore, W102; Jill and Nancy Tripp, N102; Toni and Fred Gross, L201; Pat Logan, Z103; Michael and Alisa Luckado, K202; Robert Baker, Y103; Kim Henry, A201; Steve Weiner, T103.

CALL TO ORDER:

Ms. Jurkonis called the meeting to order at 9:02 a.m. Hawaii Standard Time via Zoom. A quorum was established.

MEETING NOTICE:

Mr. Berger stated that the Meeting Notice was emailed to Directors of record, filed in the office of the managing agent on October 11, 2023; and posted on property in accordance with Section 125 of Chapter 514B Hawaii Revised Statutes.

CONSENT CALENDAR:

Motion: *To approve the Board of Directors Meeting minutes dated July 21, 2023, as written. (Warenski/Duguay)*

CARRIED unanimously.

REPORTS:

President's Report

Ms. Jurkonis provided a verbal report.

Treasurer's Report

Mr. Bannowsky reviewed the Association's financials as of August 31, 2023, as follows:

- Revenues, \$953,300 actual v. \$922,400 budgeted, or \$30,900 over budget primarily due to a significant fine levied early in the year; a one-time bonus to enter a new contract with Spectrum; and a significant increase on interest earned on the Reserve funds.
- Reserves, \$2,174,000 is the estimated yearend balance.

Site Manager's Report

Mr. Berger discussed the following items:

- Completed remediation work in the gulch.
- Resealed the pool deck and the granite in the lounge, bathroom, and kitchen.
- Completed the dryer vent cleaning of 103 units; duct replacement at 24 units; and 8 vent hoses replaced.
- Installed new salt cell at the pool.
- Changed out light fixtures in the lounge to LED bulbs.
- Touch-up of bollard lights on the pathways.
- Stucco patching at Buildings M and V.
- Replaced the fan motor in the ladies' bathroom and the recreation area.
- Installed a timer at the car wash stations at Buildings B and W.
- The County introduced a new pricing structure for water and sewer as of July 1, 2023.

OLD BUSINESS:

Update on Review of House Rules

Mr. Duguay stated that the draft House Rules are under legal review. The project is expected to be completed by year-end.

Discussion on Recreation Rules

The need to continue with the current gym reservation system was questioned by one (1) owner. Mr. Berger researched options and determined that the software does not have the capability to limit the time slots that a user can reserve or block. After further discussion, the Board concluded to keep the gym reservation system as is.

NEW BUSINESS:

Responsibilities of President and Vice President

Ms. Jurkonis reported the decision that the Vice President would take over the management of the Site Manager. Rick Duguay has been assuming this responsibility since September.

Wild Pig Issue on the Property

Mr. Berger stated that Animal Control Services (ACS) was hired to assist with the wild pig issue on property. ACS has applied for a permit with the Department of Land & Natural Resources; the process is expected to take about four (4) weeks. Once the permit is approved, information on mitigation actions will be provided and notices will be posted.

New Pricing Structure for Water and Sewer

Mr. Berger reported that effective July 1, 2023, the County introduced a fourth pricing tier for water consumption. The bulk of the property's water charges are at the fourth pricing tier of \$8.12 a gallon, which will have a significant impact on the Association's water bills. Water conservation is a top priority and consumption is closely monitored.

Discussion on New Irrigation Controllers

Mr. Berger stated that the current irrigation system is antiquated. A web-based system and new irrigation controllers is a critical tool to monitor water consumption and conservation. He is researching the “IQ4” web-based irrigation system with Rainbird and Island Plant. Information will be presented at the January Board Meeting.

N103 Occupancy Limit Request

The Board discussed the request from the owners of N103 for an exemption to the occupancy limits as outlined in Section 3.2 of the House Rules. After input from some owners and much discussion, the following motion was put forth.

Motion: *To table further discussion of the N103 occupancy limit request to the January 26, 2024, Board Meeting. (Bannowsky/Stigers)*

CARRIED unanimously.

Discussion on Roof Assessment Proposals

A professional assessment of the roof is needed to determine the condition of the underlayment, tiles, the estimated remaining life of the roof, and the scope of options and timing to maintain and/or replace the roof. Two proposals have been received with a third expected shortly.

Motion: *To approve up to \$5,000 plus GET to be allocated for roof assessments by the end of this budget year. (Bannowsky/O'Donnell)*

CARRIED unanimously.

2024 Budget

Mr. Bannowsky stated that the proposed 2024 budget reflects an increase of \$98 in the monthly fee for a two-bedroom unit making the total monthly fee \$923; and an increase of \$167 in the monthly fee for a three-bedroom unit making the total monthly fee \$1570. This represents an overall 11.9% increase in the monthly maintenance fee.

Mr. Bannowsky noted that controllable expense line items are generally kept flat or are down-trending; however, the budget considers the following:

- A projected 4% to 4.5% national inflation rate; and a 5.5% to 6% Hawaii inflation rate.
- Expected labor and material shortages due to the Lahaina fire.
- Dramatic increases in water and sewer expenses, which together constitute 23.2% of the total budget.
- Significant increase in insurance expense based on 1) continued increase in the value of buildings (assessed value and replacement cost continues to go up); and 2) increase in casualty risk. Insurance constitutes 7% of the total budget.
- An increase of \$9,000 in Payroll Insurance and Payroll Taxes.
- Incorporated into the reserve study is an increase in the projected cost of roofing from \$1.6M to nearly \$3M, which contributes to an increase in reserve costs of 10%.

- Hawaii Inspection Group performed a full Reserve analysis which involved an extensive site visit and physical examination of the property components.

Motion: *To approve the 2024 Budget with an overall 11.9% increase in the monthly maintenance fee. (Warenski/Duguay)*

CARRIED unanimously.

DATE OF NEXT MEETING:

The next Board of Directors Meeting is scheduled for Friday, January 26, 2024, at 9:00 a.m. HST.

EXECUTIVE SESSION:

Motion: *To recess to Executive Session at 10:44 a.m. HST to discuss legal, contractual, and personnel matters. (Bannowsky/Duguay)*

CARRIED unanimously.

Motion: *To adjourn Executive Session and reconvene to regular session at 12:20 p.m. HST. (O'Donnell/Warenski)*

CARRIED unanimously.

MOTIONS FROM EXECUTIVE SESSION:

Motion: *To sustain the fine for L201. (Stigers/Warenski)*

CARRIED unanimously.

Motion: *To sustain the fine for N103. (Gitter/Duguay)*

Motion **CARRIED**.

Abstained: O'Donnell

ADJOURNMENT:

Motion: *To adjourn the meeting at 12:23 p.m. HST (Warenski/Gitter)*

CARRIED unanimously.

Respectfully submitted,

Enza Froio
Aloha Office Services
Transcriptionist