

**KAI MAKANI  
ASSOCIATION OF APARTMENT OWNERS  
2021 ANNUAL OWNER'S MEETING  
36 Kai Makani Loop - Kihei, Hawaii 96753  
Saturday, February 6, 2021**

**DIRECTORS PRESENT:**

Chuck McDonald, President; Doug Callihan, Vice President; David Lovejoy, Secretary; Ken Doolin, Treasurer; Alan Breese, Director-at-Large

**OWNERS PRESENT:**

Baldwin, 40-202; Baydala, 12-102; Breese, 18-203; Callihan, 42-103; Carlson, 28-202; Clarke and Kirk, 28-203; Couch, 23-102; Ekerson, 14-202; Francis, 12-201; Hart, 10-202; Hawley, 43-102; Hewitt, 22-202; Karrels, 22-203; Kolesar, 32-203; Lovejoy, 14-203; McNutt, 20-102; O'Brien, 20-201; Orchard, 22-103; Plank, 19-102; Shapiro, 41-201; Rossberg, 42-102; Sullivan, 20-202; Travers, 42-202; Warner, 43-103

**OTHERS PRESENT:**

Lysa Tracy, Director of Association Management and Mike Fahnert, Community Association Manager, Quam Properties. Sue Fahnert, Site Manager.

**DETERMINATION OF A QUORUM**

The Bylaws of the Association of Apartment Owners of Kai Makani, specify that a quorum exists when there is present at any meeting, in person or by proxy, a majority of the apartment owners. Owners comprising 62.35% are present in person or represented by proxy, thus constituting a quorum.

**CALL TO ORDER**

President McDonald called the 2021 Annual Owners meeting of the Association of Apartment Owners of Kai Makani to order on Saturday, February 6, 2021 on property at 36 Kai Makani Loop, Kihei, Hawaii 96753 at 10:06 a.m. HST. The owners were present sign in at the pool pavilion and participation via zoom.

**PROOF OF NOTICE OF MEETING**

A notice of this Annual meeting was sent to all owners of record on January 7, 2021. A copy of the notice and the Certificate of Mailing will be made a part of the Annual meeting file.

**PARLIAMENTARY PROCEDURE**

In accordance with 514B, Hawaii Revised Statutes, this meeting will be conducted using the most recent edition of Robert's Rules of Order Newly Revised.

**APPROVAL OF MINUTES OF PRECEDING MEETING**

The minutes of the Annual meeting held on February 1, 2020 were provided to all owners via email when you were sent the zoom instructions. Hearing no objections, the reading of the minutes was waived.

**Hearing no objections, the minutes are approved, as presented.**

## **REPORT OF OFFICERS**

### **President's Report**

President McDonald's report was included in the meeting packet. The detailed report was accepted, is attached to these minutes, and is on file with the managing agent.

### **Treasurer's Report**

The following was highlighted:

- The Association ended 2020 under budget in expenses by \$18,444.
- The Association contributed \$238,416 to the Reserve fund
- The Association ended 2020 with a total of \$819,714 in reserves
- All reserve projects in 2020 were completed

### **Year-End Financials**

A copy of the detailed financials were provided prior to the meeting and are available, by request, to the management company.

### **Committee Reports**

Committee Reports were included in the meeting packet. The detailed reports were accepted, are attached to these minutes, and are on file with the managing agent.

## **ELECTION OF DIRECTORS**

Article II, Section 1 of the project bylaws specifies that the affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, each of who shall be an owner, co-owners, vendee under an agreement of sale or an officer of any corporate owner of an apartment. There are three (3) vacancies on the Board that we must fill.

The Board terms of Chuck McDonald, David Lovejoy and Alan Breese have expired; each has agreed to run for another term on the Board and their names have been placed on the ballot.

President McDonald asked for nominations from the floor.

Hearing no further nominations, he nominations were closed.

The Nominees are Chuck McDonald, Alan Breese and David Lovejoy.

### **Motion:**

*To elect Chuck McDonald, Alan Breese and David Lovejoy to the Board of Directors, by acclamation.*  
(Doolin/Callihan)

**CARRIED** unanimously.

## **ELECTION RESULTS**

The newly elected Board members are Chuck McDonald, Alan Breese and David Lovejoy

### **DESTROY BALLOTS AND PROXIES**

Pursuant to Hawaii Revised Statutes 514B-154c, the managing agent will destroy all ballots and proxies after 60 days.

### **UNFINISHED BUSINESS**

None.

### **NEW BUSINESS**

#### **Resolution on Assessments**

There is a resolution that must be considered and voted on in order that we make the proper filing of our tax returns. This resolution covers maintenance fees and unrelated income paid during the year. We collect from all of our owners, on a monthly basis, maintenance fees, which cover the cost of running and maintaining the project. At year-end, we may have a balance in our checking account, operating reserve account and other specific accounts that will carry forward to the next calendar year.

Present tax rulings indicate that these funds, if not specifically designated to be used in the following year, would be taxable. Consequently, the resolution to cover the 'rollover' of these funds meets the necessary requirements.

**RESOLVED**, By the Kai Makani Association of Apartment Owners that the amount by which each member's assessments in the 2021 fiscal year exceeds the total payments of the Association for maintenance, repairs and other expenses and capital expenditures of the Association as the Board of Directors has appropriately paid or determined payable, shall be applied to the 2022 regular member assessments in accordance with IRS revenue ruling 70-604.

**Hearing no objections, the resolution is adopted.**

### **MINUTES OF THE 2021 ANNUAL MEETING MINUTES**

#### **Motion:**

*To Authorize Board to approve the February 6, 2021 annual meeting minutes as to form and content to expedite distribution to owners.*

**Hearing no objection, the resolution is adopted.**

### **AUDIT**

#### **Motion:**

*To authorize the Board of Directors to select an auditor to perform an audit, unannounced verification of cash and prepare the tax returns for the Association for the fiscal year ending December 31, 2021.*

**Hearing no objection, the motion is adopted.**

### **RATIFICATION OF BOARD ACTIONS**

#### **Motion:**

To ratify the actions of the Board of Directors during the fiscal year 2020.

**Hearing no objection, the motion is adopted.**

### **NEXT MEETING DATE**

The 2022 Annual Owners meeting will be held Saturday, February 5, 2022.

### **ADJOURNMENT**

With no further business before the ownership, the meeting was adjourned by unanimous consent at 10:24a.m. HST.

A brief Organizational Board meeting will follow this annual meeting.

Respectfully submitted,

Yatta Johnson

**Stenographer**

**Tell Me More Stenography Services**

## **President's Report – 2021 Annual Meeting**

Aloha All Kai Makani Owners -

COVID-19 has created some unique challenges and placed certain stresses on our residents and support staffs. We have all had to make sacrifices and despite these trying times we continue to move forward making progress and maintaining Kai Makani as a great place to live on Maui. Certainly we all look forward to the day we can resume a “normal” life.

First and foremost I am pleased to report that our Kai Makani AOA is in a strong financial position. We have reserve funding at a level that will cover years into the future in terms of repairs and replacements to the common elements. Due to maintaining costs as much as possible and maintaining a healthy reserve, the Board of Directors did not increase our monthly fees for the second consecutive year. We maintain a healthy balance sheet and despite the financial challenges related to COVID-19 for many people, our delinquencies remain very low.

Second, there were a number of projects completed during 2020 and early 2021 that improved both the value of our properties and the overall appearance of Kai Makani. These include:

- Window glass replacements, Phase I
- Roof repairs
- Stucco repairs
- Landscaping improvements
- Storage door replacements
- Dryer vent cleaning
- Pool repair, Painted Pool deck and new equipment Fitness Room
- Annual Tree Trim and commenced tree replacement initiative

Additionally the Lanai Smoking Ban passed in January 2021 and will become effective 30 days after the official notice date to owners.

Projects slated to begin in 2021 include Window Glass Replacement - Phase II, completion of Tree Replacement and Parking Lot repair and seal.

Third, we are still in the bid stage of the Well Project, due to the scope and expense of such an undertaking. It is anticipated that we will be able to complete the bids and move forward with a request for owner approval in the first quarter of 2021. The purpose of this undertaking is to lower our overall water irrigation costs significantly. Having our own well for irrigation relieves us from the exposure of higher water rates/expenses over time. I fully anticipate as indicated in past communications, it will not be necessary to ask for a special assessment in conjunction with the proposed Well Project.

Fourth I would like to acknowledge the hard work of Sue Fahnert, our Site Manager, for her strong commitment and work ethic in keeping Kai Makani a great community to live here on Maui. She took this position mid-year and has proven repeatedly that her talents go a long way to effectively manage the Kai Makani work load. I would also like to acknowledge the work of Lysa Tracy, our managing agent and Director of Association Management, Quam Properties, who has worked diligently in supporting our Association as well as providing vital teleconference and Zoom communication resources.

Fifth, I want to acknowledge the hours and hours my fellow Kai Makani Board Members invest, each with their own unique set of administrative skills, who ensure our Association continues to run smoothly and provide a welcoming environment. Hats off to Doug Callihan, Ken Doolin, Dave Lovejoy and Alan Breese. No annual acknowledgement would be complete without a special thanks to Ken Doolin for his undying commitment to make our community a better place to live.

Finally, our residents should be commended for the Aloha spirit so often expressed here at Kai Makani!

Charles McDonald President, Kai Makani Board of Directors

## **Landscape and Grounds Committee – 2021 Annual Meeting Report**

The three primary functions of the Kai Makani Landscape and Grounds Committee are:

- 1) Assist the Board in further developing maintenance standards and an improvement plan for existing common area landscaping, grounds and buildings
- 2) Assist the Board in monitoring the overall performance of the contractors hired for maintenance and improving the landscaping, grounds and buildings.
- 3) Play a vital role in the maintenance and beautification of Kai Makani.

The Grounds and Landscape committee has had a productive and busy 2020 including the following projects undertaken in the past year:

- Establish a yearly schedule for tree trimming
- Replacement of several Kukui trees that posed a threat to resident safety and damage to our parking lot.
- Improvements to many parking lot islands
- Establish a quarterly walk around to identify areas in need of maintenance
- Replanting of back gated fence area
- Create a new area for grounds storage

In all of our projects we strive to make decisions based on what will improve and enhance the common areas of Kai Makani.

Committee Members:

Christine McDonald

Dave Lovejoy

Sue Fahnert

Charles McDonald

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## **Neighborhood Watch Committee – 2021 Annual Meeting Report**

The crime rate at Kai Makani continues to be low and in keeping with prior years.

Primary Functions of the Committee:

- Make Condo owners aware of their responsibilities to keep their own units safe and secure as possible. LOCK ALL DOORS
- Observe and call on anything that seems strange or out of place or just does not feel right.
  - EMERGENCY: 911
  - NON-EMERGENCY: 808-244-6400

Remember:

- Just call: The police use the number and types of calls to monitor neighborhoods. More call activity means more police patrols through our property.
- The Committee works with the Property Manager to monitor our Parking spaces. Be sure owners, guests, and workers park in the correct spaces with required identification. We do not want to have to tow cars needlessly. Hence the warnings and communication to warn vehicles improperly parked.

Committee Chair

David Lovejoy