

**NAPILI VILLAS  
ASSOCIATION OF APARTMENT OWNERS  
ANNUAL OWNER'S MEETING  
Saturday, July 22, 2023**

**DIRECTORS PRESENT:**

Terry Pennington, President; Steven Phillips, Vice President; Alessandra "Ale" Stout, Treasurer

**DIRECTORS PRESENT VIA ZOOM:**

Laurel Ashlock, Secretary

**DIRECTORS ABSENT:**

Eddie Kramer, Director-at-Large

**OWNERS PRESENT:**

Christel Kramer, 26-4; Stephen Stout, 01-4; Nancy Tanoue, 16-; Timothy Bruns, 25-3; Arthur Pagnini, 2-1; Benjamin Green, 24-5; Nancy Tanoue, 16-7; Philip Westhart, 19-7; Larry Kudlaty, 19-8; Paul Giragosian, 06-8; Ana Phillips, 09-1; Ulrich Martin, 10-2; Carol Koepke, 10-5

**OTHERS PRESENT:**

Jim Cribben, Site Manager; Rod Quam, Quam Properties, Owner; Clifton Handy, Director of Association Management; Barbara Pankey and Trish Cabading; Administrative/Accounting Executive Staff, Quam Properties; Yatta Johnson, Stenographer

**DETERMINATION OF A QUORUM**

The Bylaws of the Association of Apartment Owners of Napili Villas, 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 51.97 percent are present in person or represented by proxy, thus there is no quorum to hold the meeting.

**CALL TO ORDER**

President Pennington called the reconvened Annual meeting of the Association of Apartment Owners of Napili Villas to order on Saturday, July 22, 2023 at the Kumulani Chapel, Kapalua, Hawaii at 9:03 a.m. HST.

**PROOF OF NOTICE**

Rod Quam confirmed that proof of notice of the reconvened meeting was sent to all owners on record on June 16, 2023. 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 2022 Annual meeting minutes were provided in the meeting packet you received at check-in, distributed via email and mailed to the owners with the Annual meeting packet. Hearing no objections, the reading of the minutes was waived.

The minutes of the April 22, 2023 Annual meeting minutes were provided in the meeting packet you received at check-in, distributed via email and mailed to the owners with the Annual meeting packet. Hearing no objections, the reading of the minutes was waived.

Hearing no corrections to the 2022 and the 2023 Annual Owners meeting minutes, are approved, as distributed.

### **PRESIDENT'S REPORT**

President Pennington presented his report.

- Spectrum has included two (2) wifi hotspots on the property; owners will be provided the user name and passwords to access the wifi. The hotspots will also allow us to add security cameras on property.
- Art Pagnini was acknowledged for his assistance with the irrigation system; his assistance saved the Association several thousand dollars.

### **MANAGING AGENT'S REPORT**

Rod Quam presented the Managing Agent's report. Mr. Quam highlighted the following:

- There were eight (8) units sold in 2023; ranging from \$626,000 to \$850,000.
- Currently, there are two (2) units for sale in the Association; ranging from \$775,000 to \$789,000.
- The Association's deductible will increase to \$50,000. The recommended HO6 minimum coverage is as follows:
  - Dwelling \$50,000
  - Loss Assessment \$50,000
  - Personal Liability \$300,000

All owners will be provided with the insurance letter as created by Quam Properties, to give to their HO6 insurance agent to ensure that your owner(s) policy has adequate limits to provide coverage for this AOA deductible.

## **TREASURER'S REPORT**

Mr. Rod Quam presented the December 31, 2022 year-end financial report.  
(The detailed financials were provided in the Annual Owner's meeting packet.)

- Total Cash = \$99,082
- Total Reserves = \$433,687
- Maintenance Fees = \$62,150
- Reserve Assessments = \$3638
- Late Fees = \$3150
- Miscellaneous = \$18,019
- Insurance = \$82,297
- Income Tax = \$7521
- Reserve Expenses paid in 2022 \$15,175 (Water Damage)

2022 Budgeted Income = \$957,540

- Actual income = \$982,850
- Over Budget = \$25,310
- Net 2022 Income = (-\$63,484)

2022 Budgeted Expenses = \$957,540

- Actual expenses = \$1,046,335
- Over Budget = \$88,795

### **Significant Items Over Budget**

- Legal Fees = \$38,740
- Water/Sewer = \$15,120
- Insurance = \$8471
- Grounds Maintenance = \$24,075 (backflow preventers)

Rod Quam discussed the financials as of May 31, 2023.

- Total Cash = \$111,361
- Total Reserves = \$484,022
- Income \$6198 Over Budget
- Expenses \$2850 Under Budget

Spectrum will credit the Association with approximately \$36,000 as a 5-year signing bonus.

## **PROPERTY MANAGER'S REPORT**

Jim Cribben presented the Property Manager's report. Mr. Cribben highlighted the ongoing and completed projects as follows:

- Improvement will be noticed in the landscaping as the county has allowed the irrigation to be activated three times per week; the fertilization program will also be put back in place.
- The irrigation project is ongoing; Art Pagnini was acknowledged for his donated time of over 100 hours to the project.
- Spectrum is now up and running.
- The Gate Committee will be providing an updated report regarding the proposed gate on the south exit.
- High risk inspections will begin again soon; owners will be notified of the timeframe.
- House rule enforcements are ongoing.

The detailed report was accepted and is on file.

#### Year-End Audited Financials

The 2022 year-end audit summary is in your meeting packet. Owners may also request a copy of the complete audit from Quam Properties.

#### **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 which we must fill each for a term of 2-Years.

The Board terms of Eddie Kramer, Stephen Phillips and Alessandra “Ale” Stout have expired; both have expressed an interest to be reelected to the Board of Directors and their names have been placed on the ballot.

Owner, Art Pagnini has expressed an interest to run for the Board and his name has been placed on the ballot.

President Pennington asked for nominations from the floor; hearing none, the nominations were closed.

Each nominee was given an opportunity to discuss their background.

The Nominees are:

- Steve Phillips
- Alessandra Stout
- Art Pagnini

**Motion:**

*To elect Steve Phillips, Alessandra Stout and Art Pagnini to the Board of Directors, by acclamation. (Pennington)*

**CARRIED**, unanimously.

**ELECTION RESULTS**

The newly elected Board members are:

- Steve Phillips      2-Year Term
- Alessandra Stout 2-Year Term
- Art Pagnini          2-Year Term

Eddie Kramer was acknowledged for his dedication to the owners and his time on the Board of Directors.

**DESTROY BALLOTS AND PROXIES**

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

**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 Napili Villas Association of Unit Owners that the amount by which each member's assessments in the 2023 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 2024 regular member assessments in accordance with IRS revenue ruling 70-604.

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

### **MINUTES OF THE RECONVENED 2023 ANNUAL MEETING MINUTES**

#### **Motion:**

*To Authorize Board to approve the 2023 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, 2023.*

**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 2022.

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

### **NEXT ANNUAL MEETING DATE**

The Annual Owner's meeting is scheduled for March 30, 2024.

### **ADJOURNMENT**

**Motion:**

*To adjourn the Annual meeting. (Pennington)*

**CARRIED** unanimously.

The meeting was adjourned by unanimous consent at 10:06 a.m. HST.

A brief Organizational Board meeting will follow this annual meeting.

Respectfully submitted,

*Yatta Johnson*

**Stenographer**

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