

**NAPILI VILLAS HOA, INC**  
**ASSOCIATION OF APARTMENT OWNERS**  
**BOARD OF DIRECTORS MEETING**  
**Tuesday November 5, 2024**

**CALL TO ORDER**

President Pennington called the Board of Directors Meeting of the Association of Apartment Owners of Napili Villas to order at 4:07 p.m. at Quam Properties office and Zoom.

**PROOF OF NOTICE**

A notice of this November 5, 2024, Board meeting was sent to all owners on October 22, 2024.

**DIRECTORS PRESENT:**

Terry Pennington, President; Steve Phillips, Vice President; Allie Stout, Treasurer, Art Pagnini, Secretary, Eddie Kramer, Director

**DIRECTORS ABSENT:** None.

**OTHERS PRESENT:**

Clifton Handy, Laura Howard, and Jim Cribben; Quam Properties Hawaii, Inc.

**OWNERS PRESENT:**

**APPROVAL OF MINUTES**

**Motion:**

To approve the Board of Directors meeting minutes dated August 6, 2024, as presented.

(Steve/Ale)

**CARRIED** unanimously.

**OFFICER REPORTS**

**President's Report**

Terry Pennington's report was deferred.

**Treasurer's Report**

Clifton Handy of Quam Properties reported the following:

As of September 30, 2024, operating cash and equivalents were \$366,996 and reserves stood at \$548,107. Income for the period is \$106,000 standing over budget at \$2,000 due to interest earned.

Total Expenses for the period were \$151,609 which was over budget by \$47,570 primarily due to higher current amount of insurance premiums accrued each month as premiums rose in August. September saw higher costs for personnel due to an extra pay period during the month. Surpluses in administrative and utilities helped offset insurance and personnel cost.

For the year total expenses are over budget by \$120,025 with the association reporting an operating deficit of \$(86)K for the year to date. The funding source for the insurance payments is the special assessment income which will be reflected in the October financial statements. Additionally, the ratio of operating cash to operating expenses is at 1.06 with inclusion of accessibility fund account the ratio increases to 2.4.

#### Management Report -- Special Assessment

The special assessment to owners for the all the insurance policy renewals was \$723,950 with the majority accounting for the \$674,000 property insurance premium that was paid in August 2024. The association has collected nearly \$650,000 of the total only on month after it was due. The prompt payment by owners allowed the financing used to pay the premium on time was paid off early saving on interest

#### DOJ Lawsuit Consent Decree update

The association received communication from legal counsel regarding the DOJ's latest communication to Defendants that compliance deadlines have been missed. All retrofits were required to be completed one year after the Consent Decree on October 30, 2023. The DOJ has asked defendants to provide a schedule of completion for the outstanding items by November 15, 2024. Any further failures would have DOJ seek resolution from judge for violation of consent decree.

#### Personnel

A temporary worker from Quam Properties maintenance was on site during Jim Cribben's vacation for approximately 7 days during October 14 through the 28th. While on site nearly all buildings stairwells and walkways were power washed except for a few buildings on Kiohuohu Lane.

There were also wasp nest identified and some eradication of the same.

The temporary labor also assisted greatly with irrigation along with Board member Art Pagnini. The pair made minor fixes that the landscaper had delayed and marked areas to be addressed which the landscaper has accepted to do. The association will see an increase in personnel cost for the month of October.

#### Water Bill

Awaiting adjustment from the Board of Water for meter that was overbilled as commercial water at 7.58 per 1K gallons at high instead of multifamily flat rate of \$4.63 per 1K gallons

#### Common Lighting

The common lighting in the stairwells had new bulbs installed for any outages and we replenished inventory of these light. We also replaced some of the lighting sensors on property that were causing lighting not to turn on.

#### Site Manager's Report

Jim Cribben reported:

- County regulations limit irrigation to **two days a week**.
- Irrigation may be turned off periodically during rain or cooler weather to comply with regulations.

- Regular maintenance includes checking common area lighting to ensure it's working properly.
- Significant power washing and stairway cleaning were completed with help from Andrew during the property manager's vacation.
- Significant progress has been made with notices issued for violations such as:
  - Overgrown trees against buildings.
  - Clutter issues.
- Efforts are ongoing to maintain ground cover in the catch basin to prevent weeds and improve appearance.
- No major projects have been undertaken recently.
- The parking lot remains in good condition.

### **CONSENT AGENDA**

#### **Motion:**

*To Ratify the following items approved unanimously by the board via email consent*

- Approval of the \$200 Napili Fund application fee payable to Quam Properties (Terry Pennington /Art Pagnini)

**CARRIED** - Unanimously.

### **UNFINISHED BUSINESS:**

None

### **NEW BUSINESS**

The 2025 Budget was deliberated by the board in a workshop prior to the board meeting to understand the components of the budget increases under consideration.

#### **Motion:**

To adopt and approve the 2025 Budget Draft #3 as presented. (Terry Pennington /Art Pagnini)

**CARRIED** –Unanimously.

### **NEXT MEETING DATES**

February 4, 2025, at 4 p.m. HST Board of Directors Meeting.

### **ADJOURNMENT**

With no objections the meeting was adjourned at 4:48p.m.

### **Meeting Transitioned to Owners Forum**

Respectively Submitted by:

Clifton Handy R(S)

Association Manager