

**LAHAINA RESIDENTIAL  
BOARD OF DIRECTORS MEETING  
TUESDAY NOVEMBER 14, 2017**

**CALL TO ORDER:**

President Jerry Scheltens called the Board of Directors Meeting of the Association of Apartment Owners of Lahaina Residential to order at 4:15 PM.  
Meeting held at Lahaina Residential BBQ area.

**DIRECTORS PRESENT:**

Jerry Scheltens, President  
Paul Ratterman, V. President  
Suzanne Ayers, Director

**DIRECTORS ABSENT:**

Kent Knowley, Treasurer  
Dawn Allen, Secretary

**OWNERS PRESENT:**

Joan Warner #105, Tina Scheltens #104, Brad Willis #207, Robin Juarez #229, Laurie Kaufman #226, Kimberlee Lauer #126, Mary & Michael Falk #113, Cliff Fulton #218

**OTHERS PRESENT:**

Rod Quam, Managing Agent  
Shaun Felechner, Property Manager

**CERTIFICATION OF NOTICE:**

Rod Quam certified that Notice of Meeting was sent to all Directors, posted on property, and a copy was filed in the office on 9/26/2017

**APPROVAL OF MINUTES:**

**Motion:**        *To approve the minutes dated September 26, 2017 as presented. (Ratterman/Ayers)*

**CARRIED** unanimously.

**OFFICERS REPORT:**

No Director reports.

**MANAGERS REPORT:**

Shaun Felechner reported; We have installed more no smoking signs on property.

Plumeria trees are scheduled for December trimming and shower trees are scheduled for early 2018 trimming.

We will be attempting to find a drain to tap into for sink at bbq area. The old drain emptied into planter where propane tanks are now.

Rod Quam reported financials through August 31, 2017.

As of August 31 association had \$466,376 cash and \$728,479 reserves.

Monthly bank payment is \$13,737 (\$10,335 principal & \$3402 interest).

We were \$602 over budget in August, \$10,006 under budget YTD.

**OLD BUSINESS:**

**BBQ Propane Tanks;** Installation is complete and timer works well.

**Landscaping;** There was a discussion on how to proceed with landscape improvements throughout entire property. Plan is to have Jerry inspect property with our new landscape company for recommendations. Jerry will then present proposals to owners for approvals and additional ideas before proceeding.

**NEW BUSINESS:**

**2018 Operating Budget;** There was a discussion on 2018 operating budget providing an overview to Owners present.

**Motion:**            *To ratify 2018 Operating Budget as previously approved by Board of Directors.(Ayers/Ratterman)*

**CARRIED** unanimously.

**Mortgage Paydown;** There have been several conversations regarding investing available cash. Since yield is so low with CD's we consulted with Association CPA Roen Hirose about options including paydown of principal on mortgage, Association covering cost to replace louvered windows for all owners or possibly investing in low yield CD's. Roens response was that due to tax liability associated with roll over funds being used to paydown mortgage would be cost prohibitive. He recommended the best approach would be to reallocate assessments from operating account to reserves account to pay for windows.

**Motion:**            *To reallocate \$100,000.00 from operating account to reserves to pay for windows.(Ratterman/Ayers)*

**CARRIED** unanimously.

**NEXT MEETING DATE:**

The next Board of Directors meeting is scheduled for Tuesday March 20, 2018 at 4:15 PM. Lahaina Residential BBQ area.

**ADJOURNMENT:**

The Board of Directors unanimously agreed to adjourn the meeting at 5:15 PM.

Respectfully submitted,

Rod Quam R(B)

**Quam Properties Hawaii, Inc.**

Lahaina Residential 2018 Budget

	Jan -August 17 Actual	Monthly Actual	Budget Monthly	Budget 2017	Monthly 2018	Yearly 2018	Notes
<b>INCOME</b>							
Reserve Assessment	56,000.00	7000.00	7000.00	84,000.00	5500.00	66000.00	\$1500/month less
Maintenance Fees	241,600.00	30200.00	30200.00	362,400.00	29900.00	358800.00	\$300/month less
Monthly Lease Rent Receipts	44,870.18	5608.77	4835.00	58,020.00	4835.00	58020.00	13 units @ 371.92
Interest Income	241.88	30.24	0.00	0.00	0.00	0.00	
Late Fees	2,250.00	281.25	0.00	0.00	0.00	0.00	
Parking Receipts	1,375.00	171.88	0.00	0.00	0.00	0.00	
Rental Receipts Lease Term	36,120.00	4515.00	2700.00	32,400.00	2700.00	32400.00	3 units rented 8/2017
<b>Total Income</b>	<b>382,457.06</b>	<b>47807.13</b>	<b>44735.00</b>	<b>536,820.00</b>	<b>42935.00</b>	<b>515220.00</b>	<b>\$590 mo dues 2018 vs \$620 mo 2017</b>
<b>EXPENSE</b>							
<b>ADMINISTRATION</b>							
Admin Office Supplies/Services	713.50	89.19	90.00	1,080.00	90.00	1080.00	
Bank Service Charges	564.92	70.62	45.00	540.00	70.00	840.00	\$25 increase
Board Meeting Expense	325.92	40.74	60.00	720.00	40.00	480.00	\$20 less
Registration	764.00	95.50	31.00	372.00	0.00	0.00	Every other year
<b>Total ADMINISTRATION</b>	<b>2,368.34</b>	<b>296.04</b>	<b>226.00</b>	<b>2,712.00</b>	<b>200.00</b>	<b>2400.00</b>	
<b>SITE MANAGER</b>							
Resident Manager Salary	17,000.00	3400.00	3400.00	40,800.00	0.00	0.00	
Site Maintenance	11,022.51	3149.29	0.00	0.00	3300.00	39600.00	
Utilities Reimbursement	500.00	62.50	100.00	1,200.00	0.00	0.00	
Medical Insurance	150.00	18.75	30.00	360.00	0.00	0.00	
Auto Reimbursement	500.00	62.50	100.00	1,200.00	0.00	0.00	
Telephone	456.45	57.06	137.00	1,644.00	0.00	0.00	
<b>Total SITE MANAGER</b>	<b>29,628.96</b>	<b>6750.09</b>	<b>3767.00</b>	<b>45,204.00</b>	<b>3300.00</b>	<b>39600.00</b>	
<b>MISCELLANEOUS SERVICE</b>							
Rubbish Removal	9,104.00	1138.00	1100.00	13,200.00	1200.00	14400.00	\$100 increase
Pest Control	2,046.87	255.86	175.00	2,100.00	200.00	2400.00	\$25 increase
Tree Trimming Contract	7,700.00	962.50	600.00	7,200.00	700.00	8400.00	\$100 increase
Site Security (COPS)	500.00	500.00	0.00	0.00	680.00	8160.00	August (1st month used)
Landscaping Contract	11,666.56	1458.32	1800.00	21,600.00	1800.00	21600.00	
<b>Total MISCELLANEOUS SERVICE</b>	<b>31,017.43</b>	<b>4314.68</b>	<b>3675.00</b>	<b>44,100.00</b>	<b>4580.00</b>	<b>54960.00</b>	
<b>PROFESSIONAL FEES</b>							
Legal	36.20	4.53	200.00	2,400.00	100.00	1200.00	\$100 less
Audit/Tax	4,166.66	520.83	500.00	6,000.00	400.00	4800.00	\$100 less
Property Management	14,400.00	1800.00	1800.00	21,600.00	1980.00	23760.00	\$180 increase
<b>Total PROFESSIONAL FEES</b>	<b>18,602.86</b>	<b>2325.36</b>	<b>2500.00</b>	<b>30,000.00</b>	<b>2480.00</b>	<b>29760.00</b>	
<b>REPAIRS &amp; MAINTENANCE</b>							
Buildings	522.44	65.31	300.00	3,600.00	300.00	3600.00	
Contract Services	0.00	0.00	25.00	300.00	25.00	300.00	
Equipment	33.06	4.13	50.00	600.00	50.00	600.00	
Fire Equipment	0.00	0.00	70.00	840.00	70.00	840.00	
Grounds	1,269.57	158.70	300.00	3,600.00	300.00	3600.00	
Irrigation	50.72	6.34	50.00	600.00	25.00	300.00	\$25 less
Plumbing	304.69	38.09	80.00	960.00	50.00	600.00	\$30 less
Pool Supplies	1,328.53	166.07	200.00	2,400.00	200.00	2400.00	
<b>Total REPAIRS &amp; MAINTENANCE</b>	<b>3,509.01</b>	<b>438.63</b>	<b>1075.00</b>	<b>12,900.00</b>	<b>1020.00</b>	<b>12240.00</b>	

Lahaina Residential 2018 Budget

	Jan -August 17	Monthly	Budget	Budget	Monthly	Yearly	Notes
<b>UTILITIES</b>							
Electricity	2,189.37	273.67	300.00	3,600.00	300.00	3600.00	
Water & Sewer	37,895.23	4736.90	4608.00	55,296.00	4800.00	57600.00	\$192 increase
<b>Total UTILITIES</b>	<b>40,084.60</b>	<b>5010.58</b>	<b>4908.00</b>	<b>58,896.00</b>	<b>5100.00</b>	<b>61200.00</b>	
<b>INSURANCE</b>							
Commercial General Liability	1,305.36	163.17	165.00	1,980.00	165.00	1980.00	
Commercial Package Policy	11,256.56	1407.07	1506.00	18,072.00	1506.00	18072.00	
Directors & Officers	1,140.72	142.59	157.00	1,884.00	157.00	1884.00	
Fidelity Bond	326.00	40.75	41.00	492.00	41.00	492.00	
Flood	23,820.72	2977.59	2978.00	35,736.00	3200.00	38400.00	\$222 increase
Umbrella	699.18	87.40	95.00	1,140.00	95.00	1140.00	
TDI	131.52	16.44	20.00	240.00	0.00	0.00	No employee
Workers Comp	1,826.64	228.33	230.00	2,760.00	0.00	0.00	No employee
<b>Total INSURANCE</b>	<b>40,506.70</b>	<b>5063.34</b>	<b>5192.00</b>	<b>62,304.00</b>	<b>5164.00</b>	<b>61968.00</b>	
<b>TAXES</b>							
General Excise Tax	3,510.16	438.77	400.00	4,800.00	426.00	5112.00	\$26/month increase
Prop Mngt Gen Excise	599.92	74.99	75.00	900.00	83.00	996.00	\$8 increase
Payroll Taxes	1,650.10	206.26	490.00	5,880.00	0.00	0.00	
Income Taxes	0.00	0.00	100.00	1,200.00	100.00	1200.00	
<b>Total TAXES</b>	<b>5,760.18</b>	<b>720.02</b>	<b>1065.00</b>	<b>12,780.00</b>	<b>609.00</b>	<b>6108.00</b>	
<b>OTHER EXPENSE</b>							
Reserve Contribution	56,000.00	7000.00	7000.00	84,000.00	5500.00	66000.00	\$1500/month less
Bad Debt Expense	4,960.00	620.00	620.00	7,440.00	595.00	7140.00	\$25/month less (1 month dues)
Contingency	0.00	0.00	200.00	2,400.00	100.00	1200.00	\$100/month less
Reserve Study	1,200.00	150.00	170.00	2,040.00	0.00	0.00	Every 3 years
Rental Agent Fees	3,612.00	451.50	500.00	6,000.00	450.00	5400.00	\$50/month less
Rental Repair and Maintenance	125.00	15.63	100.00	1,200.00	100.00	1200.00	
<b>Total OTHER EXPENSE</b>	<b>65,897.00</b>	<b>8237.13</b>	<b>8590.00</b>	<b>103,080.00</b>	<b>6745.00</b>	<b>80940.00</b>	
<b>FIXED EXPENSES</b>							
Interest Bank Loan	29,446.10	3680.76	4838.02	58,056.24	3681.00	44172.00	
Principal Bank Loan	80,449.90	10056.24	8898.98	106,787.76	10056.00	120672.00	
<b>Total FIXED EXPENSES</b>	<b>109,896.00</b>	<b>13737.00</b>	<b>13737.00</b>	<b>164,844.00</b>	<b>13737.00</b>	<b>164844.00</b>	
<b>Total Expense</b>	<b>347,271.08</b>	<b>43408.89</b>	<b>44735.00</b>	<b>536,820.00</b>	<b>42935.00</b>	<b>515220.00</b>	
<b>Net Ordinary Income</b>	<b>35,185.98</b>	<b>4398.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	