



## **Koko Isle 2018 President's Report**

My name is Greg Mau and I've been a resident at Koko Isle for the past 7 years. I've served on the board the past 6 years- 5 of which as treasurer and this past year as president.

This past year was a challenging one, but one that I feel we should be especially proud of. Through the year we had our past president sell her Koko Isle residence and move, had to defend against a lawsuit trying to stop our roofing project (which we had worked so hard to get covered in an insurance claim so that it was free to the association), and we had our property manager changed on us in the middle of all this work.

Despite those unusual challenges, I believe we accomplished a tremendous amount.

1. We finished our fencing project, besides one area in legal dispute.
2. We coordinated the creation of a master plan with Architects Hawaii Limited for a cohesive design concept that we hope will be used as a guide for future improvements to our common elements.
3. We started execution of a new silicone based roof coating plan which is another project where we will generate tremendous savings in the long term by paying slightly more up front.
4. We finished off our successful roofing claim and are now approximately 2/3 done with new aluminum roofs worth \$1.8 million that we got basically for free.
5. We made underground irrigation system leak repairs that went unknown for years, which will save us thousands in water costs annually.
6. We evaluated asphalt coating and paver options for our apron and carport areas and planned details for each potential option.
7. We looked at loan proposals from 5 banks and recommended a loan with very favorable terms to the association. Banks complimented us on our financials.
8. We got permission for the loan from the owners with 80% voting in favor of the loan and project (5% against, 15% no response).
9. We signed the paver contract, made our first payment, and expect construction to start in June.

All of this was accomplished with management turnover on our board and with our managing agent, and spending significant time defending ourselves from legal action. And, all of those projects were done and planned without raising HOA dues or creating a situation where large raises in dues are expected in the future.

I also have 2 more issues to report that you probably haven't heard of, since we have only completed our study for them in the past month.

1. We studied and consulted with attorneys on how we've been historically maintaining privacy area additions extensively over the past 9 months. With our research completed, the board recently passed a resolution to no longer pay for the maintenance of structural components of non-original privacy area additions. This is the proper interpretation of our existing documents, consistent with convention and state law for AOAOs, and just generally much more fair to all owners. Much more detail is coming on this front. Understanding this is a sensitive issue that not all will be happy with we had to be extra careful that this decision is on solid legal footing. I'm sorry this was only finally able to be adopted recently and explained after I'm leaving the board, but I truly believe this is the most sound legal path to take as well as the one that is ultimately the most fair in fulfilling our fiduciary responsibility.
2. Also, with some struggles with Associa's leadership towards the end of 2017, we recently evaluated other management company options. While Associa looks to be headed in the right direction with their new leadership and additional employees in Hawaii, the board would like your support in changing management companies to Hawaiiana as we believe they are the best option for us at this time, and we will have a vote on that issue later tonight.

We got through the year with a solid TEAM effort. I'd like to thank Vince and Kellie for exceptional work managing and executing at the board's direction as they have every year. We truly are lucky to have both of them, and our attorneys have expressed that we saved a lot of money in our legal defense because of the documentation and process facilitated by our RM team. In particular, Doug Seifers made a tremendous contribution both in managing our finances as treasurer and attempting to clean our financial statements to a higher level, but on multiple other fronts including the bank loan analysis and selection.

Really though, I'd like to thank all the board members for their tremendous volunteer efforts. We hear a lot of complaints and, while there is always room for improvement, I know many residents are unaware of all the important issues we have been dealing with. Hopefully, after getting a bigger glimpse of what we've been working on, you agree that we've been prioritizing our work properly. I am sure that as these major projects are completed we will be able to focus on more of the smaller nagging issues soon as well.

When I first joined the board 6 years ago, I was hoping that we could make decisions that would save money for the association in the long term, while increasing the quality of our assets, while keeping HOA dues down. With the completion of fencing, roofing, upcoming paver plan, and streetlight and clubhouse renovation on deck next, I'm confident that we are headed in the right direction. I'd like to wish the remaining and incoming board members smooth sailing in their future efforts to make Koko Isle an even better place to live.

Sincerely,

Greg Mau  
President Koko Isle AOAO