

MY OUTLINE FOR ILIKAI GOVERNANCE

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THERE IS A CHASM OF MISTRUST BETWEEN THE ILIKAI OWNERS AND THEIR ELECTED BOARD, AND BETWEEN THE CURRENT BOARD AND THE HOTEL OWNER, ISTAR. IF THE ILIKAI IS EVER TO BE RESTORED TO ANYTHING APPROACHING ITS FORMER STATUS AS A PREMIER PROPERTY, GOVERNANCE AT THE ILIKAI--AND THE CULTURE THAT HAS GRADUALLY DEVELOPED AROUND IT—MUST CHANGE. FOLLOWING ARE MY IDEAS FOR BUILDING A BOARD THAT IS EFFICIENT, EFFECTIVE, AND COMPETENT, AND FOR REBUILDING TRUST AMONG ALL ILIKAI STAKEHOLDERS.

TRANSPARENCY—ALL ASSOCIATION ACTION, AND ALL BOARD ACTIVITY AND DECISIONMAKING MUST BE CLEARLY UNDERSTOOD AND PRESENTED TO THE MEMBERSHIP. THIS INCLUDES REGULAR COMMUNICATION TO THE MEMBERSHIP ON COMMITTEE ACTIVITY, WITH FULL OPPORTUNITY FOR MEMBER ADVICE AND INPUT.

ACCOUNTABILITY—EACH BOARD VOTE MUST BE RECORDED, EACH BOARD MEMBER’S YES OR NO VOTE MUST BE IDENTIFIED, AND EACH BOARD MEMBER MUST BE PREPARED TO JUSTIFY HIS OR HER VOTE TO THE MEMBERSHIP.

LONG TERM PLANNING AND POLICY DEVELOPMENT—I PROPOSE THE ESTABLISHMENT OF A PERMANENT COMMITTEE, COMPRISED OF BOARD MEMBERS AND ILIKAI OWNERS, FOR THE PURPOSE OF DEVELOPING ONE-YEAR AND FIVE YEAR PLANS FOR THE ILIKAI’S FUTURE, TOGETHER WITH A FULLY THOUGHT OUT PROCESS TO DEVELOP LONG RANGE POLICY FOR THE ASSOCIATION.

BUDGET REVIEW—THE NEW ILIKAI BOARD SHOULD UNDERTAKE AS ITS FIRST SUBSTANTIVE ACT A THOROUGH REVIEW OF EVERY MAJOR BUDGET DECISION TAKEN BY THE PREVIOUS BOARD OVER THE LAST FOUR YEARS TO DETERMINE WHETHER SUCH DECISIONS CONTINUE TO BE VIABLE. I PROPOSE A COMMITTEE THAT INCLUDES AN EQUAL NUMBER OF BOARD MEMBERS AND INDIVIDUAL OWNERS, AS WELL AS SUPPORT FROM THE MANAGING AGENT, TO ESTABLISH BUDGET PRIORITIES AND ELIMINATE OR MODIFY UNNECESSARILY COSTLY VENTURES, INCLUDING MANDATED SPLIT SYSTEM AIR CONDITIONERS AND APARTMENT DOOR REPLACEMENT, BOTH OF WHICH ARE CONTRARY TO ASSOCIATION RULES.

RELATIONS WITH HOTEL OWNER—IT IS CRITICALLY IMPORTANT TO WORK WITH THE HOTEL OWNER—CURRENTLY ISTAR—AND NOT AGAINST IT, FOR THE FUTURE BENEFIT OF THE ILIKAI, ITS OWNERS, AND ITS VALUE

AS A PROPERTY. BRIAN ANDERSON HAS GONE. THE MISTRUST OF ISTAR EXHIBITED BY CERTAIN MEMBERS OF THE CURRENT BOARD IS MISPLACED AND WRONGHEADED. I BELIEVE ISTAR'S OBJECTIVES FOR THE ILIKAI ARE CONSONANT WITH THOSE OF THE MAJORITY OF OWNERS. MUTUAL TRUST SHOULD BE ENCOURAGED THROUGH INCREASED COOPERATION.