Regular Board Meeting

Board of Directors - Association of Apartment Owners

Wavecrest Resort Inc. Kaunakakai, HI

Date: October 6, 2016

Time: 8:00 A.M. HST

Place: Wavecrest Cabana and by \*Teleconference

**AGENDA & ORDER OF BUSINESS:**

**Call to Order:** Meeting called to order by President Jon Givens at 8:03 A.M. HST.

**Determination of Quorum:** Jon Givens, President - \*Jack Thornton, Vice President - \*Georgiana Olson, Director – Martha Strock, Treasurer - Annie Albritton, Secretary -

Michael Peters, Director - Bret Hoffman, Manager

**Owners Present:** Suzanne O'Connell B110 - Rey Hokenson B204 – Linda Broady C116 – Verne & Connie Albright A305 – Ted Johns B101 – Richard and Cathy Felkins C216 - Mr. & Mrs. Johnson A206 – Luann Cefola A107 - Simms B108 – Steve Hurley & Roger Tinsman A113 – Ken & Linda Bergstrom C113 - \*Cernick C112 – Carol Kelly C101

**Proof of Notice of Meeting:** Secretary Annie Albritton reported the Notice of Meeting was posted September 26, 2016.

**Approval of Minutes:** Secretary Annie Albritton stated the minutes of the meeting of 20, 2016 have been posted on the website for review. **MOTION** by Jon seconded by Martha to approve the minutes as amended. Motion carried by unanimous vote.

**President Jon Givens opened the meeting by stating there would be no video or audio recording allowed during the meeting and that the meeting is for owners only.**

**Acknowledgement of Board Resignation:** Ann explained that due to a schedule change, Georgiana was unable to attend the Oct meeting. This caused her to be absent from the State of Hawaii over the six month requirement for active board participation. She therefore tendered her resignation which the board accepted. **Board Interim Appointment:** Jon recommended Georigana be appointed to fill the vacancy until the upcoming annual meeting in March. **Approved by unanimous voice call.**

**Officers Reports:** All reports were read out loud and entered into the record and will be posted on the website for review.

**President's Report:** (copy attached) Jon took time here to ask if any new owners were present and to welcome them to Wavecrest and thank them for taking time to participate

In today’s meeting.

 **Treasurer's Report:** (copy attached) Treasurer Martha Strock told owners that the Association is pretty much on budget.

 **Secretary Report** (copy attached) There was a question as to some of the dates mentioned in this report and Annie said she would review her files and make corrections as needed.

**Manager’s Report: (**copy attached) Bret noted that although he lives “off-site” he is available for emergency calls 24/7 and has been called at night on numerous occasions concerning water leaks. He reported that record and data searches done by Luigi revealed the BBQ roof area would be allowed for heating the pool but not the cabana roof. However, there is not enough area on the BBQ roof to heat the pool so that is not an option. He also noted that there are plans for a new rack system to store kayaks and it will be done as time and manpower allows. There are also screen doors available for purchase for $100 at the office.

**WWTP Report:** Ted Johns, WWTP Supervisor, gave a report on the health of our private water treatment plant and had also prepared a Guideline Sheet for Owners

For what NOT to put into our system. He also had prepared a display board with various items that had been run through our system and ended up at the plant. Bret acknowledged the good work that Ted is doing.

**2017/2018 BUDGET** Jon Givens asked that the budget be discussed at this point in the meeting since it is our primary focus this time of year and we want to be sure we have the time to complete the task.

Treasurer, Martha Strock, gave owners an overview of the preliminary budget showing the average costs and for the past year and using that information to create a reasonable, “best estimate” budget for the coming year. She noted a slight increase in our income and at this point there was a general discussion about our current rental fees for storage including comment from homeowners. **MOTION** by Ann seconded by Jack to increase the small storage fee (including the shed) to $50 a month and large storage fee to $75 a month to become effective January 1, 2017. Kayak and bike storage fees will remain the same. Motion carried Ann/Jack/Michael/Martha YES – Georgiana NO – Jon ABSTAIN.

Martha continued to go through the budget by line item with general discussion by the board as each line item was approved. Martha noted that expenses were up a little and reminded us that inflation is not stagnant. **MOTION** by Jon to approve the 2017/2018 Budget as presented by Martha. Discussion with Vern Albright concerning transfer of funds into Reserve and the CD that matured earlier this year in the Reserve that was transferred to Operating. These funds will be returned to Reserves with the timing dependent on payment of our end-of-year insurance premium. Jon withdrew his motion for review of the Reserves.

Jon opened discussion of the budget line items to owners. After the discussion, Jon gave a “rough estimate” that we would be 86% funded going into next year. This projected number will come to us from Hawaiiana after adjustments have been made to the Reserve

Jon called for a morning break at 10:00 A.M. Meeting called back to order 10:20 A.M.

**RESERVE DISCUSSION:** The need for golf carts was discussed with Bret. We have 2 running and 1 beyond repair. Board authorized Bret to buy one more used golf cart. The Reserve line item was left the same.

Cabana Roof pushed from 2016 to 2017

Generator WWTP pushed from 2016 to 2017

Water heater B was pushed from 2016 to 2017 and the normal life will be changed from 15 to 10 years.

B210 upgrades are completed this year with a new due date of 2021

Pool lining was pushed from 2018 to 2020

Add roof gutter line item est. cost $15,000 for 2017

Roof Replacement – general discussion concerning Hawaiiana’s inability to adjust their computer spreadsheet to accommodate our figures. This throws off the bottom line of the Reserve each year and makes their calculations inaccurate. Asked Martha to speak Doug Jorg and see if a solution can be found. **MOTION** by Jon seconded by Michael to approve the budget a submitted along with the modified Reserve. Motion passed by unanimous vote.

Note: Bret will work on several line items to be added to the Reserve including the building gutters which were installed at the same time as the existing roof and are seriously in need of repair.

**OLD BUSINESS**

**Solar-Power Bill Monitoring** Jon noted Rose Pecoraro used to monitor this when she was on the Board and that we need a volunteer to track this information for us. Martha volunteered her husband Neil. Bret discussed the current sub-meter situation at Molokai Shores. Their project is complete with external wiring and is in its second month of monitoring with problems. The general opinion is that the exterior wiring “looks really bad”. Jon reviewed our pending options with Neighborhood Power which include 1) asking them to return our money and remove the equipment 2) install a wireless system per our written contract agreement 3) wait and see what happens at MS and decide if we want to modify our system 4) have our attorney sue them for specific performance of their contract.

**Water Damage-Reporting Requirements** Bret emphasized the importance of owners or their agents or tenants reporting any sign of a water leak IMMEDIATELY to avoid further damage to the owners unit and the common elements.

Jon called for a break 11:05 AM to 11:10 AM.

Owners asked that Bret forward via email the consultant’s report on our sub-metering. The board instructed Bret to do so.

**Update ADA Requirements** Jack reported he is working with the office to update

our manuals to include overlapping regulations. **MOTION** by Jack seconded by Martha to discuss any ADA accommodations made by Wavecrest in executive session. Motion carried by unanimous vote.

 **NEW BUSINESS**

**Fire Safety Ladders** Owners have expressed concern about fire exit from the lanais on the 2nd and 3rd floors. There was general discussion between the board and Bret about how this accommodation can best be handled. It was agreed that any fire safety device would be attached to the lanai ceiling not the railing and that the type of hook used to suspend the ladder from the lanai ceiling would have specifications for strength and safety. Bret will prepare guidelines for installation that can be added to the House Rules

At the December meeting so that any installations are uniform. This will include language that the owner is installing this at their own risk. He was also asked to contact our insurance carrier, Sue Savio, to see if there will be any effect to our coverage.

**Security Guard Classification –** Was discussed under the Manager’s Report.

**Review Reserve -** Was discussed earlier with the budget.

**OPEN SESSION** Ann noted she had received emails from owners asking that 1) the cabana remodel and new chairs be discussed and 2) complaint response time be reviewed.

Linda Bergstrom noted Matt has been attending classes some days of the week and the office has closed early making it hard for her to pick up packages. Bret said he will talk to Matt. She said the owners of B307 have been gone for a time and have left their lanai light on. Bret said he will contact the owners.

Richard Felkins said Ted and Darlene had volunteered to collect any holiday bonus

Checks owners send for the employees. By not sending them thru Wavecrest and Hawaiiana, the total amount donated goes to the employees without taxes being deducted.

Ken Bergstrom discussed the overgrown landscaping in the courtyard area.

Cathy Felkins spoke about security problems as well at the heating of the pool and noted the washer/dryers in the C Bldg have not been working for a long time and that the laundry rooms themselves are dirty to the point that no one wants to use them.

Bret noted that we have lost some security personnel and are looking to hire to fill the slots. There are three shifts right now that are vacant. General owner discussion and in general the owners present want more security coverage. Jon suggested owners use their smart phone camera to document violations at the pool and submit them to the office as proof of their written complaint. There was a long, general discussion on security.

Connie Albright discussed an electronic fob security system which, when used, records the owner/unit ID and the time and place of access. She suggested that this system could be used for the laundry rooms as well. Bret and Jack stated they have been looking into these types of systems. Jon discussed security camera pro’s and con’s in the pool area.

Jon asked Annie to add the pool/fob camera issue to the December agenda.

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Cathy Felkins discussed the merits of a heat pump system at the cost of $3,000 to $5,000.

Jon noted that the power for the pool/cabana area comes off the B Bldg and in our contract with Neighborhood Power, that source may not be used to heat the pool.

Due to time constraints and important legal and personnel issues for the Executive Session, it was necessary to close the Open Session at this point even though some owners had not been able to bring their comments to the floor.

 **MOTION** by Annie seconded by Jon to adjourn the Regular Meeting of the board and enter into Executive Session to discuss personnel and legal matters. Motion carried by unanimous vote. Meeting adjourned 12:15 AM HST

Return to Regular Session 2:10 P.M. HST. Several items were discussed in Executive Session with no matters to be brought forward at this time.

There being no further business, **MOTION** by Michael seconded by Martha to adjourn the Regular Meeting of the Board of Directors. Motion passed by unanimous vote. Meeting adjourned at 2:15 P.M. HST

Respectfully Submitted,

Annie Albritton, Board Secretary