Regular Board Meeting

Board of Directors - Association of Apartment Owners

Wavecrest Resort Inc. Kaunakakai, HI

Date: March 14, 2017

Time: 9:00 A.M. HST

Place: Wavecrest Cabana and by \*Teleconference

**AGENDA & ORDER OF BUSINESS:**

**Call to Order:** Meeting called to order by Vice President Jack Thornton at 9:00 A.M. HST.

**Determination of Quorum:** Jack Thornton, Acting President – Martha Strock, Treasurer

Annie Albritton, Secretary – Michael Peters, Director - \*Georgiana Olson, Director – Bret Hoffman, Manager

**Owners Present:** Neil Strock A101 & B102 – LuAnn Cefola A107 – Steven Hurley & Roger Tinsman A113 – Michael Nicholls A116 – Bobbie Paris A207 – Jim & Ingrid Kindsvater A215 – Connie & Verne Albright A305 – Suzanne O’Connell B110 – Bruce Roessler B208 – Dan Reed C105 – Ken & Linda Bergstrom C113 – Debbie Davis C114 – Richard Felkins C216 – Bob McCann C103 –Don & Linda Broady C116 – Sandra and Richard Leigh A105- Amanda Ballou A211 – Mike & Donna Brown B107 – Darlene Johns B201 - Curt and Rosemary Milner C210 – Gaellen Quinn C305 – Stephen Kerr C312 - \*John Scriber A308

**Proof of Notice of Meeting:** Annie Albrittonreported the Notice of Meeting was posted Wednesday, March 1, 2017.

**Approval of Minutes:** Jack Thornton stated the minutes of the meeting of December 2, 2016 have been posted on the website for review. There is one noted name correction for A304 **MOTION** by Martha Strock seconded by Mike to approve the minutes as amended. Motion carried by unanimous quorum present.

**There will be no video or audio recording allowed during the meeting - the meeting is for owners only. Owner comments will be held until the open session at the end of the regular board meeting.**

**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:** Given by Jack Thornton (copy attached)

**Treasurer's Report:** Given by Martha Strock (copy attached)

**Secretary Report** Given by Annie Albritton (copy attached)

**Manager’s Report:** Given by Bret Hoffman **(**copy attached) Of special note was the announcement that the spindle project is complete. He also noted that Ted Johns who manages our WWTP has asked that NO BLEACH be put into the system. He asks that owners and guests act responsibly on this issue since it is something that is almost impossible to enforce.

**REPORTS: Parking Permits:** Bret stated the intent of the permits is to identify chronic abusers of our one unit/one parking space rule and to promote check-in at the office. Moving forward security will work with daily occupancy records. Once an offending vehicle is identified the owner will receive a written warning. If the matter is not taken care of a fine will be issued. He noted that our resources for towing vehicles are very limited. At this time there are no temp passes. If you lose your pass the replacement cost is $50. It was suggested that paper guest passes be made available at the office with the arrival and departure dates written on the pass to avoid misuse.

**Reserve Review Committee Report:** (attached) Presented by Verne Albright. Verne gave a very detailed and understandable overview of the current status of our Reserve

as determined by the committee. He then read the Committee Recommendations to the board (copy attached titled WC Reserve Committee – Items 1-5).

Ken Bergstrom stated regarding the pool cabana roof, the east half was replaced and the west half is still the original, roof. Verne said that will be taken into consideration **MOTION** by Martha seconded by Annie that the board adopt the report as presented by the committee. Motion carried by unanimous vote.

**Heating the Pool:** After researchRichard Felkins recommendation to the board is to use a heat pump system to be installed on a cement pad in the pool utility/storage area.

The est. cost is $7,000 and he said that if you run the cost out over 4 or 5 years it amounts to about $1.20 a month per owner for electricity. He said Neil Strock had researched ground mounted solar panels with a cost of between $11,000 and $15,000 with no electric expense and maybe or maybe not a permit. Also a pool cover could work – they run about $150 with a 5 year warranty plus $200 for the reel which takes 1 person about 20 minutes to work. The heat pump can be ordered from Oahu and includes shipping.

**Sub-Metering:** Jack Thornton said there is good news and bad news. We need NPC to honor their contract and give us a wireless install with no exterior wires. They are offering a solution but in order to protect ourselves the board has discussed hiring CJS & Assoc. Specialists to review the NPC plan and confirm to us that it will work and is feasible. The rebate is still in place. Once the meters are up and running owners will be given two months of data to review before the billing process is set in motion. **MOTION** by Martha seconded by Annie to investigate hiring CJS to assist us in evaluating the NPC proposal upon determining the fee for hiring them is appropriate. Carried by unanimous vote.

**OLD BUSINESS Exterior Wiring on Common Building Elements –** Annie said she would be looking for help and information regarding the many wires that have been attached to the exterior of our buildings by communication vendors. Bruce said originally each building had a TV antenna with wires running thru the attic and down each utility closet stack. Ken Bergstrom said he would share his knowledge as well.

Annie said the hope is to be able to identify and remove any abandoned wires and determine if those that remain have been legally installed. So there will be an informal committee of Annie, Bruce and Ken to look into the wires.

**Record Retention:** Annie already confessed in her secretary’s report that she has not had the time to unravel the storage dilemma. There are, of course, files stored in the office which Matt has made a list of and provided to Annie. There are e-file documents

Retained by Hawaiiana as well as quite a few boxes of hard copy documents that are being stored on Oahu costing us $1,638 a year. Annie has a State of Hawaii list telling us of individual document retention requirements. One problem is that any materials in the boxes on Oahu need someone from Wavecrest to sort thru them and dispose of the stuff they don’t want – haul to the Oahu dump or take to a shredding company. No easy task.

So for right now the project is on hold.

**NEW BUSINESS Washers/Dryers** Jack has read the original contract with Valley Isle which extends one year at a time after its initial term. Bret is documenting by Certified Mail each request for repairs giving us a documented paper trail. Paul has done some minor repairs at their request like resetting the machines. The option is to own and repair our own machines at a cost of $2000 to $2800 each that need to be replaced every four years plus $400 reader cards for each machine.

**2017 Budget/Homeowner Dues Review** Treasurer Martha Strock, noted there has not been a dues increase since 2011 and that was for $15. CPI has increased 14% since then and she stated we simply cannot afford to remain flat. We are close to being under 50% funded which can result in fines from the State. In 2011 our payroll was $303,000. In 2017 our payroll is $342,000. We cannot function in 2017 on 2011 income. Therefore Martha proposes a midyear increase of 8% which will result in dues of $605 a month. She stated we do not want a special assessment and owners must be given 30 days notice of any dues increase. **MOTON** by Martha seconded by Annie to raise the monthly dues by 8% to $605.00 a month beginning June 1, 2017. Yes votes from Martha, Annie and Georgiana. No vote from Michael. Jack abstains. Motion carried

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**OPEN SESSION**

Linda Bergstrom asked if anyone had checked with the Better Business Bureau about NPC. She also questioned Bret’s working hours on site. Debbie noted there are days when the office is closed by 11:30. John Scriber said he was pleased with Bret’s performance and we should look at his performance not his hours on site. Owners want to know what the front office hours are. Georgiana said that communication is the key. John Schriver asked the cost for a lost parking pass – Jack said same as a laundry key $50. John suggested a paper pass for guests noting their arrival and departure dates. Curt Milner asked that recognition and consideration be given to employees who have good ideas, perhaps an annual monetary reward. General discussion about maintenance priority list. Ken Bergstrom asked if there was going to be any action on the pool. **MOTION** from Georgiana to heat the pool per Richard Felkins heat pump suggestion.

Jack called for a second. There being no second the motion died. Bob McCann mentioned an automatic chemical system for the pool especially to use on weekends, which would cost about $2,000. Neil Strock said he repaired the sweep last night and that it is now working. Richard said we have been battling a chemical imbalance and that we are looking for a long term solution.

Long discussion about the hall retrofit and a strong voice from owners present that they do not want the project to go forward. Everyone pleased that the spindle project is now complete and understands that it took priority over other projects.

There was a comment about increased presence of bugs this year as well as rats. Donna Brown asked about use of the tennis courts and noted the gate is not locked. Bob McCann said the more you use a court the better it is. Not good to sit idle.

Jack noted that with our last two hires our security is at full staff.

Owner asked if we are starting over with sub-metering and Jack’s answer is no. We are looking into hiring a final consultant to assure us that the NPC software package will work here at WC – this needs to be reviewed by an expert before we give our approval.

Linda asked who cleans the solar panels on our roof and Jack said that is a responsibility of NPC. You determine when they need to be cleaned by monitoring their output. They appear black but they are producing above contract level.

Many owners spoke on a variety of issues and everyone had the opportunity to be heard by the Board.

There being no more general business, **MOTION** by Martha seconded by Annie 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 11:50 AM HST

Return to Regular Session 2:30 P.M. HST

There being no further business, **MOTION** by Mike seconded by Martha to adjourn the Regular Meeting of the Board of Directors. Motion passed by unanimous vote. Meeting adjourned at 2:35 P.M. HST

Respectfully Submitted,

Annie Albritton, Board Secretary