



Regular Board Meeting  
Board of Directors – Wavecrest Resort  
Association of Apartment Owners  
Kaunakakai, Hawaii

Date: September 26, 2014

Time: 8:00 A.M. HST

Place: Wavecrest Cabana & by Teleconference

AGENDA 7 ORDER OF BUSINESS

Call to Order: The meeting was called to order by President Richard Felkins at 8:10 A.M. HST

Determination of Quorum: Richard Felkins, President - Jon Givens, Vice President – Mike Peters, Treasurer – Rose Pecoraro, Secretary – Georgiana Olson, Director – Annie Albritton – Director

Guests: Verne & Connie Albright A305 – Suzanne O’Connell B110 – Cathy Felkins C108 & C216 – Jerry Chernik C112 – Ken and Linda Bergstrom C113 & C312 – Charles Johns B201 – Dixie Durham C104 – Luann Cefola A107 - \*Mike Nichols A116 - \*Bob McCann C103 - \*Doug Howard C306

Proof of Notice of Meeting: The Secretary reported Notice of Meeting was posted Friday, September 19<sup>th</sup> at both the office and cabana bulletin boards and via email to the owner list maintained by the office.

Approval of Minutes: It was noted that the minutes of the June 27<sup>th</sup> meeting need to be amended to reflect the Boards acceptance of the resignation of Donna Brown as a director. MOTION by Jon Givens seconded by Annie Albritton to accept the minutes of the regular board meeting of June 27<sup>th</sup>, 2014 as amended. Motion carried by unanimous vote.

President Richard Felkins noted that in accordance with Roberts Rules of Order, our meeting rules prohibit the use of cameras or video during this meeting and that in Open Session owner comments will be limited to 2 minutes.

OFFICERS REPORTS All reports were read aloud and entered into the record and will be listed on the website for review as an attachment to these minutes.

President's Report: (Copy attached) Richard announced the purchase of a small, portable public address system with two cordless microphones which he hopes will make it easier for those participating via teleconference to hear the proceedings.

Treasurer's Report: (Copy attached) Mike noted that overall we are under budget for the current month and YTD almost \$18,000 below projection. He reminded everyone that we need to be aware of the delinquency factor and that right now we have 13 active owners with a negative cash flow of \$118,000 and inactive owners with a negative \$71,000.

Secretary's Report: (Copy attached)

Manager's Report: (Copy attached) Among other things, Bret brought everyone up to date on some personnel changes, new staff and other experienced staff changing positions.

### OLD BUSINESS

Solar Update: Jon stated that Neighborhood Power, who will be installing our sub-metering, may also have access to more solar from MECO.

Use of Office Apartment: General discussion about other uses for the office apartment.

MOTION by Annie seconded by Georgiana to keep the office apartment as a residential rental. Motion carried by unanimous vote. Connie Albright noted that since we handle the rental ourselves we should be sure that the lease agreement is for non-smoking, includes utilities and no A/C allowed.

Security Cameras: Bret stated cameras are now up at the front entry area and that he may include the storage area and WWTP in the future. Tapes will only be reviewed if an incident occurs. Bret will find out how much storage the cameras have.

Solar Fence: Rose reported the solar fence sections cost about \$3,400 and we will need 3 so the cost will be roughly \$10,000. At this time the installation cost and permit factors are unknown. General discussion – suggest polling owners to determine interest.

Pool Lounge Chairs: We have funds in the budget to replace or repair the lounge chairs. General discussion about broken straps and sled runner vs leg type loungers in the lawn area. We have 12 pool side lounge chairs.

Community Garden: Bret said he is waiting for owner participation but has had none to date. General discussion that the location at our entry is unsightly. Bret will get an announcement out to owners about the community garden space and if there is no interest they will be removed.

Tree Trimming: Bret noted the trees had just been trimmed and were looking good. Annie recommended that everyone take the time to read the Arborist's Report on our website. It is a very detailed report on the condition of each individual tree which is extremely valuable to Bret and our grounds staff as some of our trees are not healthy and need special care.

## NEW BUSINESS

Budget Review 2015: Mike Peters reviewed his budget documents by line item with emphasis on item #6010 Electric and #6050 Gas. He reminded everyone that this is a draft budget to be used as a guideline for general discussion but at this point he believes no fee increase will be necessary for next year. Jon Givens noted that the Board will hold a special meeting in October to go over the final draft budget and set the assessment amount for next year as required by Hawaiiana Mgt. Co. Some discussion about "borrowing from the Reserve Fund" – Suzanne O'Connell said she did not like this practice. General discussion with owners.

Richard called for a break at 9:45 AM with the meeting to resume at 10:00 AM

The Board reviewed and discussed each budget line item in detail – following are some of the items discussed: New electric billing once sub-metering is installed. Doug Howard reminded the association it cannot double bill for power – locating the sewer line that runs between the lift station and the WWTP for adding a clean-out port – may need two new computers at the office and a printer – golf carts (1 not working) and their battery life with 6 batteries per cart and a total replacement price of about \$700 – insurance premium went down which is very unusual. Mike will check with Sue Savio to make sure the numbers are correct – foreclosure units discussed – one of our CD's was recently renewed in Reserves causing the numbers from Hawaiiana to be off until the new CD is figured back in – discussion about washer/dryer contract and cost to dry.

Richard opens the budget session to owner comment. Doug Howard asked that the minutes reflect the fact that not all homeowners support the sub-meter project. Mike Nichols suggested we ask Hawaiiana how other condo associations transitioned through the sub-meter process. Verne Albright noted he had never seen our insurance premium go down – that it typically went up 8 to 10% per year.

Richard Felkins called for a lunch break at 12:10 PM. Meeting to resume in half an hour at 12:40 PM. Meeting called back to order 12:55 PM

Lanai Violations: Rose reported that there were numerous violations noted during a walkabout last year and that this year they are greatly reduced. Suggested it's time to revisit our House Rules to see if anything needs to be updated.

Kayak & Bicycle Fees: Discussion about raising fees – currently \$10 one time key deposit for kayak storage and \$30 annual fee. Bicycles pay \$30 a year storage. Jon wants to add a line item

to the budget for bike/kayak income (there is a line item for storage units only). Asked Bret to get a bulletin out to owners to identify kayaks stored under the cabana – each should be marked with owner name – unit number and have a private lock. Need to enforce. Storage lockers are currently \$25 a month for small month to month. No action taken at this time to change.

Rent Review: Current rental rates were discussed for all units currently owned by WC and it was determined to leave them as until after sub-metering is installed and then see if any adjustment is necessary.

Energy Conservation: Rose will keep informed and let WC know if Blue Planet offers another rebate program for old appliances. The new pump for the pool was purchased on a rebate and Rose would like to do an assessment of other site components. Georgiana suggested the office stock energy efficient light bulbs to sell to owners to make it easy for them to switch over. Also Rose will look into forming a committee to review our outside building lights – lanai and halls – to see if changes can be made there.

Revised Flood Zone Map: Richard said he had received no input that this new zoning would affect Wavecrest and that he has a call into Sue Savio to confirm this. Connie Albright asked that owners be given notice if there is to be a change so individual insurance carriers can be notified.

Laundry Contract: Richard said an inquiry will be sent to owners about the dryer fee and that he will review the existing contract and discuss renewal with our Maui provider.

Sub-metering Implementation: MOTION by Mike Peters that a \$150 per month fee be applied to owners who obstruct access for sub-metering. Rose seconded. General discussion. Motion withdrawn. It was decided that Richard and Annie will draft a Resolution for the next Special Meeting of the board in October to set forth a non-access fine. Jon asked Bret how many unit access keys he has at the office and he said about 70%. Discussed getting a locksmith to allow entry to units with no key access. Jon asked Bret to email the owners of the units with no key access to alert them to the urgency of the situation.

#### OPEN SESSION – OWNER COMMENT

Because Richard opened the regular session to owner comment, there was little discussion at this time.

There being no further business, MOTION by Georgiana seconded by Mike to adjourn to Executive Session to discuss legal issues and personnel. Motion carried by unanimous vote. Regular meeting adjourned 2:00 P.M. HST

The Regular Meeting opened again at 4:15 PM HST. There being no further business MOTION by Jon seconded by Mike to adjourn the regular board meeting. Motion carried by unanimous vote. Meeting adjourned at 4:20 PM HST.

Respectfully Submitted,  
Rose Pecoraro, Secretary