

REGULAR BOARD MEETING

BOARD OF DIRECTORS - ASSOCIATION OF APARTMENT OWNERS

WAVECREST RESORT, INC. Kaunakakai, Hi.

Date: December 5, 2014

Time: 10:00 A.M. HST

Place: Wavecrest Cabana & By *Teleconference

AGENDA AND ORDER OF BUSINESS:

Call to Order: The meeting was called to order by Acting President Jon Givens at 10:00 AM HST

Determination of Quorum: Jon Givens, Acting President – *Michael Peters, Treasurer (dialed in 10:40 A.M.) - Annie Albritton, Secretary – Rose Pecoraro, Director - *Georgiana Olson, Director – Bret Hoffman, Manager

Owners Present: Bruce Roessler B208 (for 37 years) – Ken and Linda Bergstrom C312 & C113 – Dan Reed C105 – Darlene Johns B201 - *Verne and Connie Albright A305 – *Suzanne O’Connell B110 – *Mike Nicholls A116

Proof of Notice of Meeting: Secretary reported Notice of Meeting was posted December 1st, 2014 at both the office and cabana bulletin boards and sent to the owners email distribution list maintained by the office.

Approval of Minutes: Jon Givens noted that the minutes of the Special Meeting held October 29th, 2014 have been posted on the website for review. **MOTION** by Ann seconded by Jon to waive the reading of the minutes of the Special Meeting as noted above and approve as presented. Motion carried by unanimous vote of those members present.

OFFICERS REPORTS: All reports were read aloud and entered into the record and will be posted on the website for review.

President’s Report: (copy attached) Acting President Jon Givens announced the resignation of President Richard Felkins and thanked him for his many hours of service to the Association.

Treasurer’s Report: (copy attached) Treasurer Michael Peters noted that the utility category included not only electric but also gas, water, TV, phone and cable for the office computers. In this category, electric and gas are over budget while the other items show some savings. Jon questioned whether the \$30,000 that had been moved from Reserves to Operating when a CD matured has been returned to the Reserve account. Michael will confirm this with Hawaiiana. Michael also confirmed that no active owners owe for storage fees.

Secretary’s Report: (copy attached) Annie said she also received correspondence from Cathy Felkins reminding the board they agreed to poll owners on their interest in a solar fence for heating the pool but had not specified how owners would be contacted. Jon queried those present and stated for the

record that a majority of the owners present here today are in favor of a solar fence. Further information is needed to determine if an SMA permit will be required and the cost. General discussion.

Manager's Report: (copy attached) Manager Bret Hoffman spoke to the excellent staff at Wavecrest and credited them with the many improvements made recently. Spoke to the membrane surface being applied over the asphalt in our parking lot. Questions were asked about the mildew product being used to mediate the problems on A & B Bldg's. And Bret said it is biodegradable and poses no health or natural hazards. Scaffolding will be used to reach all floors during this project and an assessment will be made of rotted wood for future repair unless it poses a safety hazard in which case it will be fixed right away. Ken Bergstrom asked about Bret's plans to maintain the pool lounge chairs and Bret said he is taking care of it.

COMMITTEE REPORT: Building Lighting & Hallway Doors – "Test Hall Option" Connie Albright has been working with Rose Pecoraro and reported on our options to upgrade the appearance of our buildings and 30 year old light fixtures. The committee is also looking at removal of the popcorn from hall ceilings with a refinished surface and white paint to make the halls lighter. The committee is proposing the addition of molding to the exteriors of the unit hall doors and closures to reduce slamming doors due to the wind. Originally all units were equipped with door closures. Both Connie and Rose have added molding to the interior sides of their unit doors and will make photos available so other owners can see what it looks like. The goal is to get away from the 70's look and do some updating. It has been determined that hiring this work out would be cost prohibitive but that it may be able to be done in-house. The committee is asking the board to allow one test hall to be updated before the annual meeting this coming March so homeowners can look at the proposed upgrade.

MOTION by Jon seconded by Rose that the board authorize one ground floor test hall and two adjacent hallway light fixtures to be upgraded and have the sample hallway completed before the March 2015 owners meeting and have an in-house cost and time estimate for owners to approve at that time. Motion carried by unanimous vote.

OLD BUSINESS: Update on Sub-Metering : Rose Pecoraro said she worked on the project thru April when she left WC to return to Illinois. The contract was accepted in June but not signed until October 2nd and then the permit process began. The original permit was lost by the county. The second application was tweaked by the county and is still awaiting final approval. Rose understands Molokai Shores had similar delays in their permit process as well. General discussion.

Review Dog Use Area: Georgiana Olson said it's difficult to designate an area not used by owners but thought the area near where employees park their cars might be appropriate, the area between the community garden and the hedge. Annie also suggested the streambed which would be accessed around the tool shed at the west end of A Bldg and over the little stone bridge. She also suggested signage be used at both sites and that we provide "glove bags" for owners to dispose of their service animal waste. Jon stated we now have 3 service dogs living on site long term but that we also have transient service animals in and out of our facility. Transient visitors are to provide a travel card and documents for their service animals at the office at check-in. For long term service animals there is an application form prepared by our attorney and a procedure to follow before bringing a long term service animal on-site.

MOTION by Jon seconded by Annie to designate (1) the streambed area and (2) area adjacent to the common garden as “Disabled or Handicap Assistance Animal Areas” with appropriate signage and “glove bags”. Discussion – Dan Reed said there should be language on the sign similar to that on the pool area sign which states there will be an immediate \$100 fine for failure to use pool diapers with children in the pool. He also noted the service animal areas should be added to the House Rules. **MOTION MODIFIED** – Jon modified the motion to include that failure to clean up after disabled or handicap assistance animals or use designated areas will result in an immediate \$100 fine. This modified motion was seconded by Georgiana and passed by a unanimous vote of the board.

Review Limited Common Area Lanai Carpet: Jon noted that the lanai carpet for A102 which is a foreclosure unit owned by WC is torn and in extremely bad condition. Unit A103 also needs to be replaced by the owner as well as either C102 or C103. General discussion about what action the association can take. **MOTION** by Jon seconded by Annie that the association order indoor/outdoor carpet of the appropriate tan color and use in-house labor to replace the carpet in the three ground floor units in question and bill back to the owners where possible. Motion approved by unanimous vote.

NEW BUSINESS: Board Resignation & Vacancy: Jon Givens acknowledged the resignation of President Richard Felkins and made **MOTION** that the Board accept the resignation of Richard Felkins. Seconded by Georgiana. Motion carried by unanimous vote. Jon asked Annie to read correspondence received from Jack Thornton (A207) and Michael Nicholls (A116) expressing interest in filling the vacancy. The correspondence was read into the minutes. General discussion by the board. **MOTION** by Annie seconded by Rose that Mike Nicholls fill the vacancy and serve out the term until the annual meeting in March 2015. Motion approved by unanimous vote. The Board further invited Jack Thornton to submit his resume in March and run for election to the Board as they felt his qualifications were extensive and that he would be an asset to the Association. They thanked him for his willingness to serve.

Renewal Washer/Dryer Contract & Cost of Dryers: Jon explained the current contract will expire the end of 2015 but suggested we not wait to confirm the providers desire to renew and take time to review the contract. The original contract called for a variable drying time but was later changed by the then resident manager. General discussion. Asked Bret to talk to the provider “sooner rather than later” about renewal and asking for a variable drying time and extending the contract to three years.

Storage Unit Update – Rates/Contracts/Use by Delinquent Owners: Michael Peters clarified that no active owners are delinquent on storage fees. Bret was asked to be sure there is a contract signed for each owner using a storage unit. General discussion – was decided to leave fees as they are for now and discuss next March. We want to be sure that owners do not “give away” or pass their storage unit on to a friend when they no longer use it. It needs to be turned back into the association who has a waiting list for storage units. Sharing of units was discussed (basically sub-leasing). Decided that the board should review the contract language and discuss in March.

Employee Contribution for 2015: Annie said historically the contribution was \$100 an employee prior to 2008. Since then it has been \$300. She also noted that an eligible employee is defined as an employee who is half time or more and who has been employed at WC for at least one year. **MOTION** by Annie seconded by Jon to continue IRA contributions for employees at the rate of \$300 per eligible employee. Motion carried by unanimous vote. Mike Nicholls asked Bret how many eligible employees we have and Bret said 5 or 6.

Owner Contractor Noise in the Commons: Annie forgot to add this item to the agenda. Jon spoke to the use of power tools in the parking lot and the possibility of finding a better place for contractors to do their power tool work such as inside the unit, on the lanai of the unit or off-site. The possibility of restricting construction noise on Saturday was also discussed. Bret noted that as difficult as it is to get a reliable contractor on Molokai, it would be a hardship on owners to further restrict their activities. Bret offered that perhaps the area behind the pump shed at the end of B Bldg might become a designated cutting area. The Board put this in Bret's hands to try and see what could be worked out.

Other Board Business: Jon asked if there was any other board business to discuss. Michael Peters asked about reporting delinquent owners to the Credit Bureau and wondered if this was a service Hawaiiana might provide. General discussion about our process for going through Continental Collection Bureau in California but agreed we had not looked into reporting delinquencies to a credit bureau. Jon asked that Mike contact Hawaiiana to see if they would provide this service and see if we can establish a credit bureau procedure which would put more pressure on owners to pay.

Rose offered that she is looking at the next project of reducing power consumption at the WWTP and that she would like to start this new project asap. Jon approved and asked Rose and John to move forward and suggested she and John get in touch with Mike Olson who will be onsite in mid December for training. Mike Nicholls offered that previously the training session for the WWTP were two, 2 hour sessions. He also reminded everyone that anyone entering the WWTP area must have their shots per state law.

Jon discussed another new item for updating our facility with a new sink area in the cabana. Rose and Jon will work with Bret to get some material and prices for this project.

OPEN SESSION:

Owner Dan Reed, as a year round resident at WC, wanted to praise the staff on the wonderful job they are doing with the grounds. He hears comments from visitors who say the grounds look more beautiful every year and that the BBQ grills look brand new. He also supports cosmetic upgrades like the cabana sink area. He also said he liked having designated pet areas but said his attorney had cautioned him that that anyone reporting an incident to the office must have "proof of the deed" and not hearsay or supposition. There are neighborhood dogs that run through our property at night that cannot be controlled.

Jon reminded everyone that a notice has been sent to owners reminding them they can send a donation to the office for an end of the year bonus to employees. Checks can be made out to the association.

There being no other business: **MOTION** by Jon seconded by Rose to adjourn the regular meeting of the board and enter into Executive Session. Motion carried by unanimous vote. Meeting adjourned at 12:50 P.M. HST.

Return to Regular Session at 2:40 P.M. HST. Annie announced that there had been an organizational meeting of the board and that Mike Nicholls will serve as President and Jon Givens will serve as Vice President.

There being no further business, **MOTION** by Georgiana seconded by Annie to adjourn the regular meeting of the board. Motion passed by unanimous vote. Meeting adjourned 2:45 P.M. HST.

Respectfully Submitted – Annie Albritton – Board Secretary

