



**Board of Directors Meeting Minutes
March 15, 2022**

The Wavecrest AOA Board of Directors meeting was conducted pursuant to the provisions of the Governor and the Maui County Mayor's Executive Orders. Board Members and Staff participated in the meeting in person at the cabana. Homeowners were provided a zoom website link as well as a phone number to participate in the meeting and provide public comment.

1. Call to Order and Roll Call

- a. The regular quarterly Board of Directors meeting was called to order by President Jack Thornton at 9:18 a.m. HST on March 15, 2022. Proof of meeting was posted on February 22, 2022.
- b. The following Directors were present: President Jack Thornton (A207), Vice-President Michael Peters, Treasurer Martha Strock (A101/B102), and Secretary Rod Huck (A103). A meeting quorum was established.
- c. Homeowners in Zoom attendance included: Amanda Ballou (A211), Anne Flipp (C203), Kimberly Dutton (B310/C110), Wayne Courtney (C114), John Scriver (A110/A308), Jim & Ingrid Kindsvater (A215), Robert & Virginia Laszewski (C311), Colleen Simon (A214), Julie Jacobs (C104), and Neil Strock (A101/B103). Others in attendance included Wavecrest attorney John Morris and Property Manager, Zaida Place.
- d. Proof of Notice of Meeting was sent out on February 22, 2021. 10-day notice was met.

President Jack Thornton welcomed everyone to the board meeting and read highlights from his President's report including welcoming thirty plus new homeowners since January 2021 and informed of the ending of the Hawaii Safe Travels program on March 25, 2022, for mainland travelers, however, travel mandates still in effect for international travelers, masks are still required indoors, and guest check-ins are still required. Wavecrest needs to remain a special place, so we are continuing to address repairs and improvements, success attributed to Wavecrest employees and their skillsets.

At 9:33 a.m. Beverly Ferguson (B101) joined meeting via zoom.

President Jack Thornton continued...because of this, he noted was the plus side that we are reducing the amounts needed for our reserve study funding per project and getting much needed repairs and updates around the property. We have a reserve study completed in March 2020, for 2021, and will request later that an updated non-site-visit study be completed to reflect current state with shipping, material prices, etc. being raised dramatically. Guest check-ins are still required, and we are still working on interactive controls with Condo Control to make this an easier process. Complimentary Wi-Fi is not for streaming, it was intended for sub-metering and have been interfering with our service. Passwords will be requested upon log in to our system and owners are responsible for whomever they share their passwords with.

2. Review/Approval of Minutes and Reports

- a. The December 06, 2021, meeting minutes were presented for review. President Thornton noted that there was no additions, changes, or corrections to the December 06, 2021, meeting minutes. Treasurer Strock motioned to approve the December 06, 2021, minutes as drafted, and Secretary Huck seconded the motion. Motion passed unanimously 4-0-0.
- b. The Treasurer's Report was presented and summarized by Treasurer Strock who stated that she generally does the report comparing by where we stand in the month and the latest figures, I got from Hawaiiiana were from January with where we were last year and what is budgeted. Our revenue is slightly down. We are looking into that. Our operating expenses were up, mostly because of the insurance. Hawaiiiana divides the insurance master policy payments into twelve separate payments, however, we pay it over 5 months, not 12 months, so it's heavily loaded January through May and it throws the numbers off for the first few months, but we slowly catch up and

are fine by June. That means we have an operating surplus, we also paid for carpeting and a new truck, but our reserve funds, even though we paid for those, our reserve funds are still up from a year before with significant payments going out, the truck was over \$40K and the carpeting, so we're doing well financially. We are down in our delinquent active owners, and we have removed all but 6 inactive owners because the units have turned over, we have collected what is due to us, and we have new owners who are all paying their dues. So, I would say we remain in a healthy position and want to continue to build our reserve fund, we do have major projects but we're doing very well with Zaida keeping a close watch on the expenditures.

- c. No secretary's report due nothing new to report.
- d. The Manager's report was presented in written format and stand as posted. Manager, Zaida Place informed of homeowner plumbing issues and Rockland Taylor reviewed attachment to the Manager's report that he created. He also noted that there should be inspections and that WC should hold contractors accountable and asked what Wavecrest's rights were concerning this matter.

Attorney John Morris stated that per **§514B-138 Upkeep of condominium; high-risk components**, the Board of Director's is given the rights under the law to require inspections and even if something is not obviously failing, if it's a high-risk component they can require that it be replaced, maintained, or repaired. Per **§514B-137 Upkeep of condominium**, the association has a right to enter units if it's necessary for the operation of the property, "the operation of the property" is a defined term meaning the administration, fiscal management, and physical operation of the property including maintenance, repair, and replacement of and the making of any improvements to the common elements.

3. Discussion/Items

- a. eGauge Connectivity – Hardwiring will begin when both parties are on-island to complete.
- b. Wi-Fi – Bandwidth Usage and Effects on WC Operations. As discussed, TB usage being experienced. Streaming has resulted in slowing service of service or devices being terminated from the network.
- c. House Rules – Aligned with HRS and Published Documents. Draft of House Rules to be sent out to homeowners for 21-day review/comments for board to consider and finalize. Main change to HR's will be the ability for all owners to address any concerns about issues that affect them personally, i.e., fines, violations, etc. with the BOD or mediation.
- d. Owner and Agent Responsibilities – We will be opening a dialog with new HO' soon. There is an option to acquire Wavecrest documents via Docuserve that realtors are required to provide. Documents are not official unless it comes from Docuserve. Agents are also responsible to pass on rules and regulations, etc. to new HOs.
- e. Reserve Study – Yearly Review and Revisions. Our Reserve Study is already out-of-date with price increases, new shipping rates, etc. so I'd like to revisit and update our Reserve Study with a non-site visit for accuracy and the ability to address reserve study vs. operating expenses and keeping costs under control. President Thornton motioned to rehire Reserve Associates to do a Level III Reserve Study Update for recalibration of items for true value for \$1,500.00. Treasurer Strock seconded the motion. Motion passed unanimously 4-0-0.

Vice-President Peters made a motion to adopt the draft House Rules then distribute to homeowners for comments/feedback for a 21-day period prior to the BOD adopting the final version. Treasurer Strock seconded the motion. Motion passed unanimously 4-0-0.

4. Open Session

- a. **Robert Laszewski (C311)** stated compliments to Zaida and the staff for staying on top of things and that sometimes we don't appreciate how old this place is, it was not built well, and requires enormous maintenance and we appreciate the work that you and the board are doing as well. Thank you to the Board for being diligent on reserve issue. I look back at our October 2017 statement and we had in reserves \$343,000.00 and as of October 2021 we have \$701,000. So that's a huge improvement and it doesn't go unnoticed. I do hope that we take a serious look at our parking lot problem. What are the costs, how to fund...start a planning process and create a concrete plan. Regarding delinquencies, as of the October report we have an outstanding \$267,000 delinquency and last time Martha reported a couple of those were concentrated on a couple of homeowners. Questioned what's being done, if it's collectible, etc.

Attorney John Morris stated that generally condominiums are not in a good position to collect due to Hawaii Laws and being a second lien holder. This makes it very difficult and costly, not like the past when we were able to do non-judicial foreclosures. He recommended categorizing prior owner delinquencies in a different category for a clearer understanding of what is owed and what is happening. From legal point of view, a strict procedure is followed which includes a letter, lien, follow-up letter, if no response after a 90-day period, recommendation to the BOD to start a foreclosure. Association is only entitled to 6-months of rent collection for maintenance fees. The ability to collect is limited.

Robert Laszewski questioned what the current number of delinquent homeowners is and are we taking some of the steps the attorney just outlined and hope that we are not just doing nothing.

President Thornton stated that we are doing what we can questioned attorney regarding utilities. Attorney John Morris stated that yes, we can per our resolution. Further discussion followed.

- b. Amanda Ballou (A211) – Follow up on the parking lot comment at previous meetings. What information has the board turned up and the board is considering. Regarding the parking lot.

President Thornton stated only received to recover with asphalt again. Need to be done properly and looking at proper installation including bedding, compaction, etc. Board is still looking for a finished product with decent quality work for what we will pay for and assessment to properly complete project.

- c. Julie Jacobs (C104) – Is the Wastewater Treatment Facility a part of the reserve study and is the contract with the reserve study going to include that equipment and its' lifetime.

President Thornton stated that he will be out to inspect a WWTP in Hana and has a rough idea on lifetime. We will have to do something within a 10-year period.

Julie Jacobs asked what the three largest amounts of study will be. WWTP, Driveway...

President Thornton included painting and gutters, which include a lift previously board approved.

- d. Rockland Taylor (C106) – If you notice, no credibility to people around here, look at all the positive. Thank all of you and the crew.

President Thornton stated that yes, the skillset has improved since he's been on board, but it doesn't mean it's never been like this before.

- e. Dan Reed (C105) – Regarding losses and rental units we collect rent from, does that mean that Wavecrest is renting it out or the homeowner is renting it out.

President Thornton stated that Wavecrest is renting them out using Tropical Island Properties.

Dan Reed also asked it's no secret that the cost of living is skyrocketing on Molokai, \$6/gal. for gas and groceries skyrocketing, he questioned cost of living raises for employees and if not, requested the Board look into that.

Secretary Strock stated yes, there is a cost-of-living increase, end-of-the-year bonus and a Christmas bonus.

Is there a possibility that we look into a cost of living raise for employees?

President Thornton stated that it's a priority to maintain and support our employees. Cannot discuss due to confidentiality laws.

Attorney John Morris stated that the board can go into executive session to discuss personnel issues including salaries, performance, etc. Board discussion only. The Bylaws state that personnel issues is delegated to the board.

- f. Robert Laszewski (C311) – Ask unit owners to install water leak detectors. Inexpensive. Board should consider putting them into the units. Great investment. Encourage and have the association install when inspections are completed.

Rockland Taylor (C106) concurred that this is a good investment. Very inexpensive and can only help us.

President Thornton stated that we do weekly attic inspections, and we can add them up in the attic.

- g. John Scriver (A110/A308) – Stated that he purchased a couple sets himself, added functionality at \$50 for 3 units with text/message alert.

- h. Julie Jacobs (C104) - Garden report. Dallas and I have stopped working them. We're maintaining it. Planter beds to be not working and water and soil conditions and such. They are available if anyone else wants to work

them. Replacing with other options that they would like and what appetite to make them active gardens again or just removing beds and putting in a sitting area or bird feeders.

President Thornton thanked Julie for the notification.

- i. John Scriver (A110/A308) – Cut off for about 20 minutes. Will submit questions for board and attorney following meeting.

President Thornton informed John to use Condo Control App.

- j. Beverly Ferguson (B101) – Just wanted to come on and say thank you to Dan for bringing up the issue of supporting staff financially and to back them on that. Wanting them to get paid as good as possible to lessen turnover. Secondly, issue of putting forward a motion of fines and homeowner rules, when putting together to clarify with sign-ins and homeowners living on-island coming and going with vehicle sign-in. Pickleball has been wonderful and thank you for supporting that with reimbursement to HOs that did the update.

President Thornton stated that reimbursements were being made and pickleball equipment was at the post office ready to be picked up.

With no further homeowner comments, President Thornton request to move to Executive Session. Treasurer Strock motioned to move to Executive Session, Secretary Huck seconded. Motion carried unanimously 4-0-0. Session was ended at 9:35 a.m.

5. Executive Session

- a. *Executive session convened at 9:36 a.m. No motions or votes.*
- b. *Executive session closed at 9:45 a.m. HST. Director Strock moved to close the session. Secretary Huck seconded the motion. Motion passed 4-0-0.*

6. Reconvening Open Session and Adjournment

Open session reconvened at 9:46 a.m. HST. The meeting adjourned with a motion from Treasurer Strock and seconded by Director Huck. The vote passed 4-0-0. The meeting adjourned at 9:48 a.m. HST.

Respectfully submitted,

Werner Rod Huck, Secretary

Attachments: Board and Staff Reports