

**BANYAN HARBOR ASSOCIATION OF APARTMENT OWNERS**  
**Board of Directors Teleconference Meeting**  
**Wednesday September 12, 2001**  
**Banyan Harbor Unit 145**

**1. Call to order / Roll Call**

The meeting was called to order by President Akita at 9:05am (HST)

**Board Members:**

**In attendance (on-site):**

Shirley Akita, President  
Carol Medeiros, Treasurer

**In attendance (remote-sites):**

Loren Knott, Vice President  
Dick Reis, Director  
Cathy Martin, Director  
Harry Baker, Director

**Absent:**

Dick Rentz, Secretary

**Note:**

Issues voted and noted as passing  
unanimously reflect Board members  
in attendance and do not include  
votes from Secretary Dick Rentz

**Outrigger Lodging Services:**

Chris Gampon, General Manager, Banyan Harbor  
Rick Ball, Vice President, Outrigger Lodging Services  
Stephanie Nakamatsu, Accounting, Banyan Harbor  
Tore Wistrom, Resort Consultant

**Other Attendees:**

Robert Garcia – Unit 79  
Ben Bregman – Unit 58, Timeshare developer

**2. Proof of Notice**

Chris reported that notice was posted on August 10, 2001.

**3. Approval of Minutes**

- a. **Board Meeting, May 31, 2001** – Corrections were noted to page 7 item E year should read 2002; page 4 top line should read “L” bldg not “K” bldg; page 9 items 7 second to motion should read Harry Baker; page 1 Akita is misspelled; page 6 item D should reflect participation by Cathy Martin and Dick Rentz.

**MOTION:** *To accept the minutes as revised.*

**MOVED BY:** Carol Medeiros, Second: Harry Baker  
**VOTE:** Unanimous, **PASSED**

## 4. Management Reports

- a. **President's Report** – Shirley thanked Chris for the packet of information that was mailed to all Board members prior to the meeting. She also extended thanks to the staff for repairing the wall outside the lobby and attending to other safety issues promptly.

Shirley also commented on the tragedy of the World Trade Center and Pentagon terrorist attacks. She was heartened by President Bush's speech.

Shirley also reported that she volunteered to participate as a member of the Kauai Museum's Banyan Tree Committee.

- b. **Manager's Report** – Chris reported that the staff continues to work well together. Ginger is currently on vacation in Connecticut and has advised us that she may have difficulties returning as scheduled due to the recent restrictions on air travel.

Chris asked the Board to give direction on enforcement of the House Rules. Shirley asked that this item be added to the agenda under new business.

## 5. Financial Reports

- a. **July 2001 Financial** – Rick reported that the period ending July 2001 is on track with budget with the exception of telephone revenues due to calling cards and cell phones. These factors will be accounted for in next years budget. Also over budget are utility costs. Payroll and related expenses are tracking well with the budget. Other operating expenses show a significant saving versus budget of more than \$49,000. The net earnings are favorable to budget by close to \$42,000. The health of the AOAO is good.
- b. **Collection** – Chris reported that only three owners are delinquent at this time. One unit has been sold and the maintenance fees will be settled through escrow. Another will be settled today via electronic funds transfer. The last owner has committed to bringing his account current by the month-end of September.
- c. **Reserve Study** – Rick reported that the Reserve Study was updated prior to the meeting. The project for stair repair was adjusted to reflect the increased bid from the contractor who performed the work on the first stairwell (Bldg H). Rick asked the Board to approve the new stairway bid.

<b>MOTION:</b>	<b><i>To accept the revised proposal from Barry Arruda to repair a second stairwell.</i></b>
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**MADE BY:** Loren Knott, Second: Harry Baker  
**VOTE:** Unanimous, **PASSED**

Rick reported that Chris looked into the question of the method of funding the Reserve Account and verified that we are in compliance. A copy of section 514A 83.6 of the Hawaii Revised Statutes, that outlines reserve requirements, was provided to each Board Member.

## 6. Unfinished Business

- a. **Horseshoe Pit** – Chris reported that per a request by Mr. Silva (Unit B18) he and the maintenance staff looked at several locations for possible installation of a horseshoe pit. Areas considered were unsuitable either due to terrain or safety of others in the area. Loren was disappointed that we could not add another amenity for the homeowners.
- b. **Land Lease, Land by B Building** – Tore reported that there hasn't been any additional contact. He asked for the Board's direction on this matter.

**MOTION:** *To put this issue on the agenda of the November meeting.*

**MOVED BY:** Carol Medeiros, Second: Cathy Martin  
**VOTE:** For: 5 Against: 1, **PASSED**

Shirley suggested trying to obtain information through community channels.

- c. **Walkway Closets** – Tore reported that this issue was brought up during the annual Homeowner's meeting for possible rental to owners/tenants and the timeshare program. Upon research by the staff it was determined that the Timeshare and Rentals need for the space was insignificant. If a fee were assessed for this space the staff would recommend relinquishing the space.

Discussion took place in terms of offering the space for rent to owners for a fee. Issues of liability were raised. Management was asked to inquire with the insurance company.

**MOTION:** *To table this to the November meeting.*

**MOVED BY:** Harry Baker, Second: Dick Reis  
**VOTE:** For: 5 Against: 1, **PASSED**

- d. **Standardized Sliding Glass Doors** – Chris reported that a replacement door can be obtained locally from Hamco in the Puhi Industrial Complex.
- e. **Pool Deck – Finish** – Harry Baker reported he had received information and viewed videotapes on the Miracoat pool deck coating. Chris obtained a budgetary quote of \$20,400 for installation and materials. Chris asked if the Board would like to proceed with the project.

**MOTION:** **Obtain a firm bid and proceed with the project if it can be completed within budget.**

**MOVED BY:** Harry Baker, Second: Dick Reis  
**VOTE:** Unanimous, **PASSED**

- f. **Solar Panels, Admin. Bldg** – Chris reviewed the analysis showing projected electrical costs and savings based on installation of a solar water heating system. Tore added that the analysis reflects the Board's 5 year reimbursement requirement set during the May 2001 meeting.

**MOTION:** *To proceed with solar heating system installation*

**MADE BY:** Harry Baker, Second: Dick Reis  
**VOTE:** Unanimous, **PASSED**

- g. **Screen – STP** – Chris reported that Jack Wilhelm of Aqua Engineers suggested we hold off on the project. With changes made in the area above the STP, he has seen a reduction of items being thrown or falling into the STP enclosure. Once school is underway, Jack will monitor the traffic (school kids) and report if the screen will be necessary.

**MOTION:** *To table this issue to the November meeting.*

**MOVED BY:** Loren Knott, Second: Dick Reis  
**VOTE:** Unanimous, **PASSED**

- h. **Concrete Stairs** – Chris reported that picture of the completed stairway shows the project and result. The initial project took substantially more time and materials than projected. The contractor agreed to complete the work for the price of the original estimate. That project was discussed and approved during the review of the revised Reserve Study.
- i. **Credit Card Charge** – Chris reported that through the newsletter, all homeowners were advised of the \$5 charge that will be applied to all credit card transactions.
- j. **Banyan Harbor Tree – Museum** – Shirley reported that she and Chris had met with the Museum's tree committee. They discussed putting together a written agreement to outline the committee's involvement with the tree. Shirley has asked that the agreement cover only maintenance of the tree. Shirley did not receive any agreement thus far.

Shirley added that the committee advised Chris and herself that they have leased the Grove Farm land west of the property as well as the rights to the easement. The museum plans to clear the Grove Farm land and may use the end of the easement to access that area. Chris reported that the volunteers would not have to cross the Banyan Harbor property to get to that area.

- k. **Other Unfinished Business** – Other business discussed as follows
- i. **Key Service** – Because Dick Reis was not present, at the prior Board meeting, he asked for clarification on the key service policy passed during the May Board meeting. Dick's questions were reviewed and answered.

## 7. New Business

- a. **Allocation of Expenses for 2002** – Tore reviewed the allocation recommendations for 2002. If approved, these allocations will be used as a bases for the 2002 budget.

**MOTION:** *Move to approve the recommended allocations*

**MOVED BY:** Carol Medeiros, Dick Reis

**DISCUSSION:** Loren asked if the recovery for electricity from Timeshare and Rental was appropriate (possibly too high) if Kauai Electric provides a rebate toward the purchase of the solar water heater. Loren asked that Timeshare and Rentals reimbursement to AOAO be looked at again if the AOAO receives a credit for the installation.

**VOTE:** For: 5 Abstain: 1, **PASSED**

- b. **Budget 2002** – Rick reported that the allocations just approved as a basis for the budget. A draft of the budget will be available by the November meeting.
- c. **ADA (Executive Session)** – Shirley Akita reported that the new pool locks were discussed.
- d. **Other New Business** – Other business discussed as follows.
- i. **Carol Medeiros, Unit Status** – Shirley reported that Carol Medeiros has an agreement to sell her unit currently in escrow. Shirley wanted to form a plan should Carol have to resign upon the finalization of her unit sale. Loren suggested leaving the position vacant until the February Annual Homeowner's Meeting. Loren verified that if an individual is identified and appointed, their term would end on the day of the Annual Homeowner's Meeting.

**MOTION:** *If Carol Medeiros resigns, her position on the Board is left open until the February Annual Homeowner's Meeting.*

**MOVED BY:** Loren Knott. Second: Cathy Martin

**DISCUSSION:** Dick Reis and Harry Baker feel there is a viable candidate for appointment.

**VOTE:** Shirley Akita: No, Carol Medeiros: No, Loren Knott: Yes, Dick Reis: No, Cathy Martin: Abstain, Harry Baker: No

**MOTION FAILED**

**MOTION:** *To nominate Gus Enderlin to fill the position, should Carol have to resign.*

**MOVED BY:** Harry Baker, Second: Dick Reis

**DISCUSSION:** Loren Knott feels that the time the individual would serve would be too short. Shirley suggested that a full-time resident would be a good addition to the mix of the Board.

**VOTE:** Shirley Akita: No, Carol Medeiros: Abstain, Loren Knott: No, Dick Reis: Yes, Cathy Martin: Yes, Harry Baker: Yes

**MOTION PASSED**

- ii. **House Rules** – Chris asked for the Boards guidance on enforcement of the House Rules. He reported that several owners/tenants have asked for exceptions to the rule because their lanai is not easily visible. Dick Reis feels the rules should be enforced evenly regardless of location.

**MOTION:** *To direct management to enforce the House Rules evenly throughout the property.*

**MOVED BY:** Carol Medeiros, Second Dick Reis

**DISCUSSION:** Chris should exercise his discretion

**VOTE:** Unanimous, **PASSED**

- iii. **Letter to owner** – Shirley read a letter she wrote to an owner who was abusive to the staff.
- iv. **Audit 2001** – The Association audit for the year 2000 was reviewed. Rick reported that minor changes to the notes and comments were made from the original draft.

**MOTION:** *To accept the 2000 auditor's report.*

**MOVED BY:** Carol Medeiros, Second: Dick Reis

**VOTE:** Unanimous, **PASSED**

## 8. Adjournment

The meeting was adjourned at 11:15am