

# BANYAN HARBOR

Adopted Meeting Minutes  
Revision Date: 20 November 2002  
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**BANYAN HARBOR ASSOCIATION OF APARTMENT OWNERS**  
**Board of Director's Teleconference Meeting**  
**Wednesday, September 11, 2002**  
**Banyan Harbor: Unit A1**

**1. Roll Call**

President Shirley Akita called the meeting to order at 9:05am

**Board Members Present**

Shirley Akita, President  
Gus Enderlin, Treasurer via phone  
Elinor Weeks, Director

Dick Rentz, Vice-President via phone  
Harry Baker, Secretary via phone  
Linda Garcia, Director

**Board Members Absent**

Cathy Martin

**Note: Issues voted and noted as passing unanimously reflect Board members in attendance and do not include votes from Director Cathy Martin.**

**Outrigger Lodging Services**

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

**Other Attendees**

Vivian and Greg Knickerson - Unit #95

**2. Proof of Notice**

Chris reported that notice for the meeting was posted on August 22, 2002.

**3. Approval of Meeting Minutes**

**Board Meeting, May 21, 2002** – Several corrections were noted.

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| <b>MOTION:</b> <i>To approve the minutes as corrected.</i> |
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**MOVED BY:**    Elinor Weeks, Second: Linda Garcia  
**VOTE:**            Unanimous, **PASSED**

**4. Management Reports**

- a. **President's Report** – Shirley asked for a moment of silence in memory of the 9/11 victims and their families and she also reminded the group that it was Hurricane Iniki's 10<sup>th</sup> Anniversary. Shirley reported that she obtained a broader perspective of the property during her walk through yesterday. There are now 24 units in the rental program, 35 timeshare units and 90 residents on property (tenants or owners). The association will need to think through what they hope to accomplish, so the overall vision will be satisfactory for all (rental, timeshare and residents). Shirley thanked Chris and the staff for repalcing the fence at the pool. She suggested the Board think about ways the association could increase amenities such as new areas for barbecues. Debris from the banyan tree above building "J" continues to litter gutters and stairways and adds to the overall litter so it is a maintenance as well as safety issue.

- b. **Manager's Report** – Chris reported that the staff continues to work well together. Heather at the Front Desk has left for maternity leave and Kristie, who usually works on a casual basis, will fill her schedule.

The maintenance crew continues to work diligently to complete as many projects as possible. Since May's meeting, the wall surrounding the pool has been completed. A new fence was installed on top of the new wall. New grass has also been planted throughout the pool area.

Projects currently underway include the first stage of a major project to check the railings and pickets of each building. On the onset of the project, it was decided to secure every picket. This decision was made when our inspection showed that the original pneumatic gun nails did not secure the pickets adequately. During this first stage, maintenance was able to secure every picket on the lanais for buildings: "A", "B", "F", "G", "H", "I" and "J". Drake and crew are doing a tremendous job.

The lychee tree next to the administration building has a fungus that causes the leaves to blister and become dry. We will consult with Kauai Nursery on ways to combat the disease. Pre-consultations received are that a major pruning will be required followed by fertilization.

The irrigation well permit was approved by the State of Hawaii. Indications are that the well installation can be completed by the end of November.

## 5. Financial reports

- a. **July 2002**– Rick reported that revenues are right at budget levels. Year-to-date, expenses are over budget by \$17,000 due to increased insurance premiums. With that in mind, financials are favorable to budget forecasts. Rick commended Chris and his team for watching costs.

Our insurance broker is advising us to anticipate a 24% increase next year. Workers comp insurance may go up 10-15%. It was noted that the reserve for doubtful accounts is over accrued. There are no delinquencies at this time; therefore, an adjustment will be made on the next financials.

- b. **Reserve Study** – Rick reported on projects scheduled to be completed by the year-end:  
1) Irrigation well and 2) New pumps for STP.

Shirley asked the Board to consider the installation of another barbecue area between buildings A and E. She would like to discuss this during the November meeting. Rick explained that the old stairwell by building A would be eliminated and the area to be built up to make like a small park area. Harry Baker suggested the area between buildings D and E. Shirley noted that the area was considered but was not acceptable due to poor ventilation and other considerations.

## 6. Unfinished Business

- a. **Land by Building B** – Tore reported that he spoke with the trustee of the land. The land is still tied up in probate. Tore will be notified of any changes. Nothing is expected to take place before 2003. Tore is concerned that if the land goes on the market, the Association would likely need an extended time to get the approval of all homeowners. Tore suggested that it may be necessary for a group of owners to purchase the property until the AOA can establish the funding and sufficient votes to acquire it. Dick Rentz wanted to clarify that the association will need a 90% vote of homeowners to approve the purchase of the land. Shirley commented that this will need some serious thought.

Chris reported on the results of the survey as presented in the Board's meeting material. The survey was sent to all whole-unit owners. Chris noted that the survey was sent to each Timeshare Board member as well but the results only reflect the response from Jim Solberg, the Timeshare Association President. There was a favorable response to the installation of the Jacuzzi. Response to the land purchase, although favorable, was accompanied by many questions on the cost of the land and how the payment of the purchase would be handled. Tore commented that the price of the land would likely be between \$150,000 and \$300,000. Tore added that the land is zoned R-20. Shirley was especially pleased with July's newsletter as it related to the land issue. Shirley noted that before sending out the ballots we should know the value of the property. Linda suggested having an appraisal done before the next meeting. Gus emphasized the need to notify owners of a potential assessment.

**MOTION:** *To authorize an appraisal with a limited expense of \$3,000.*

**MOVED BY:** Harry Baker, Second: Elinor Weeks  
**VOTE:** Shirley Akita – Yes; Linda Garcia – Yes; Elinor Weeks – Yes; Harry Baker – Yes; Gus Enderlin – Yes; Dick Rentz – Yes; Cathy Martin – Absent.  
**PASSED**

- b. **Tree by Building J** – Shirley wanted to revisit this issue. As she reported during her President's report the tree continues to be a maintenance and safety issue. Shirley recommended the Board accept Smith's Tree Service's proposal to complete the work.

**MOTION:** *To proceed with removal the banyan tree above building "J" and replace with suitable landscaping.*

**MOVED BY:** Harry Baker; Second: Elinor Weeks  
**VOTE:** Shirley Akita - Yes; Linda Garcia - Yes; Elinor Weeks - Yes; Harry Baker - Yes; Gus Enderlin - No; Dick Rentz – No; Cathy Martin – Absent  
Yes – 4; No – 2; Absent – 1, **PASSED**

- c. **Jacuzzi** – Chris reported that the Jacuzzi results were outlined in the owner survey. Of the 148 units, 60.8% were in favor of the Jacuzzi. Rick noted that Ben Bregman's offer of \$10,000 is still available. Gus would like to define where the remaining funds to install the Jacuzzi will come from and how much it will cost to maintain.

- d. **Service Recognition** – Chris reported on two issues. First was the presentation of a Mahalo gift to past Board members. A sample of the framed photo was displayed. Chris continued with a report on the employee bonuses. Chris noted that the Timeshare Board had approved a bonus and asked that the AOA consider doing so as well. Gus felt that the bonus is appropriate and will show the Board's and homeowner's appreciation for the hard work by the employees. Gus would also like to see the bonus included in the annual budget for consideration throughout the budget-period.

**MOTION:** *That the AOA match the Timeshare amount for Associate bonuses*

**MOVED BY:** Gus Enderlin; Second: Harry Baker  
**VOTE:** Unanimous, **PASSED**

**MOTION:** *That the amount of the bonuses be included in AOA's budget*

**MOVED BY:** Gus Enderlin; Second: Harry Baker

**DISCUSSION:** *Gus would like this as a consideration of the budget. Harry replied that this could be discussed as the year comes to an end.*

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

- e. **Vision Statement** – Shirley bought up the concept of putting together a “vision for the future” at a previous Board meeting. She wanted to move ahead with this concept and asked the Board to brainstorm ideas that could be used to assist future Boards in setting the direction for Banyan Harbor. Gus indicated that he had written a statement for his own reference and will be happy to share it with the Board. Shirley encouraged the rest of the Board to write their suggestions and send them to Chris to be compiled. Shirley added that she has asked that the Timeshare Board be included in the process.
- f. **Kauai Electric Sale** – Shirley updated the Board on the Kauai Electric sale. The council and the Mayor's administration are now in agreement with the sale, providing that two conditions are met. [1] All customers receive a 6% decrease; and [2] A portion of the purchase price go into escrow until it is determined that forecasted savings are on target. The Public Utilities Commission has yet to make the final decision.

## 2. New Business

- a. **Allocation of Expenses 2003** – Tore discussed the allocation and adjustments made for 2003.

**MOTION:** *To accept the allocation of expenses as outlined*

**MOVED BY:** Harry Baker; Second: Linda Garcia  
**VOTE:** Unanimous, **PASSED**

3. **Director Expenses** – Shirley reported that Chris asked her to approve the distribution of travel expenses for this teleconference meeting. She did approve the expense but wanted to clarify that in the future no travel expenses will be reimbursed for teleconference meetings. In order to reduce expenses related to holding Board meetings teleconferences will be scheduled whenever possible. Chris reported that, in general, the cost of a two and a half hour teleconference meeting is approximately the equivalent of a single round trip ticket from California.
  4. **Satellite Dish** – Linda reported that people have approached her regarding installing satellite dishes instead of cable. Dick wanted to clarify whether it was a dish in every unit or a common satellite system. Chris advised that Turner/Oceanic cable bought Garden Island Telecommunications and will soon offer digital cable and an extensive line-up of standard stations. Rick suggested that Chris get more information on satellite service options. Shirley felt that this issue should be tabled for discussion at the next Board meeting. Harry noted that it good to be aware of what is available.
  5. **Other New Business** – Other new business was discussed as follows:
    - i. **House Rules** – Rick wanted to further define the house rules as to what is allowed on the lanais. Shirley added that during her review of the property the number of plants on lanais was excessive in some cases. Shirley would like to review this topic during the next Board meeting.
    - ii. **OLS Management Contract** – Rick reported that the management contract is up for renewal in May of 2003. He recommended that the Board revisit the contract renewal during the next meeting to ensure that there is ample time for any necessary discussion.
    - iii. **Shirley's New Email** – Shirley advised to all present that she has a new email address: [sakita@hawaii.rr.com](mailto:sakita@hawaii.rr.com)
    - iv. **Next Meeting and Get Together** – Rick pointed out that the next Board meeting will be held on Wednesday, November 20, 2002. He felt that it would be good time to AOAO to host a get together for both Boards to talk about the vision statement. Rick suggested Tuesday, November 19, 2002 at 5pm for the gathering.
  6. **Executive Session – ADA** – The Board discussed ADA issues. No action was taken.
8. **Adjournment**
- Hearing no further business, the meeting was adjourned at 11:35am.