

BANYAN HARBOR

ADOPTED MEETING MINUTES
REVISION DATE: 20 February 2004
Page 1 of 4

**BANYAN HARBOR ASSOCIATION OF APARTMENT OWNERS
BOARD MEETING
Wednesday - November 19, 2003 – 11:00am
BANYAN HARBOR D43**

1. ROLL CALL

Vice-President Martin Called the meeting to order at 11:05am

Board Members

Cathy Martin, Vice-President
Linda Garcia, Director

Gus Enderlin, Treasurer
Elinor Weeks, Director

Harry Baker, Secretary
Alan Snodgrass, Director

Outrigger Lodging Services

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

Owners

Gale Enderlin (J114)
Robert Martin (L137)

Meryl Ferarri (B23)

Ray Smith (102)

Vice-President Martin reported that Shirley Akita, BOD President, would arrive late to the meeting.

NOTE: *Motions noted as passing "Unanimous***" do not reflect the opinion of Board President Shirley Akita. See subsequent note on arrival time of Mrs. Akita.*

2. PROOF OF NOTICE

Chris reported that notice was posted on October 31, 2003

3. APPROVAL OF MINUTES

a. **Board Meeting, September 10, 2003** – Corrections to the minutes were noted.

MOTION: *To approve the minutes as corrected.*

MOVED BY: Alan Snodgrass, Second: Elinor Weeks
VOTE: Unanimous***
RESULT: PASSED

4. MANAGEMENT REPORTS

a. **President's Report** – Vice-President Martin deferred her report to Chris.

b. **Managers Report** – Chris reported that the staff remains a strong group. Chris added that work on interior and exterior termite inspections was started as directed by the Board. Prior to the completion of the inspections the unofficial report by the inspectors was that the Banyan Harbor is in good shape. Cable television upgrades are currently in progress. The cable upgrade should be completed by month-end. If the proposed budget is passed today, the printing, assembly and mailing of payment coupons to all homeowners will commence immediately. Annual meeting notices will also go out very shortly. All of the material for that mailing is ready for processing. Chris completed his report with a reminder that he will be leaving on vacation. Chris has left Stephanie in charge during his absence. Contact information has been distributed.

5. FINANCIAL REPORTS

- a. **September 2003 Financial** – Rick reported that revenues are almost identical to budget . Net earnings are favorable to budget by \$4800. Rick added that preliminary financial reports for October show that it too will be a favorable month. Alan asked what factors have contributed to the association's savings over the past few years. Chris reported that while there are many contributing factors, the main savings has been our ability to properly manage projects (large and small) and labor expenses. Gus added that since Outrigger Lodging Services and Chris began management of the property, the finances of the Association have been very favorable.
- b. **Reserve Study** – Chris reported on the status of current reserve projects and items that were adjusted since the last quarterly update.
- c. **Reserve / Investments** – Reports on investment accounts were provided to each Board member. Gus expressed his concern that he believes that interest rates will remain low for a while. If financial projects remain the same, Gus would like the Board to consider investing funds for a longer term.

NOTE:	<i>President Akita arrives: 12:00PM. Subsequent motions noted as "Unanimous" include the opinion of President Akita.</i>
--------------	---

MOTION:	<i>Establish a cash investment strategy that seeks insured certificate of deposits with the highest rate of return in the shortest time, between 3-months and 30-months consistent with projected cash needs.</i>
----------------	--

MOVED BY: Gus Enderlin, Second: Alan Snodgrass
VOTE: S. Akita: *Abstain [not here for original discussion]*; C. Martin: For;
G. Enderlin: For; H. Baker: For; L. Garcia: For; E. Weeks: For; A. Snodgrass: For
RESULT: PASSED (For = 6 / No = 0 / Abstain = 1)

6. UNFINISHED BUSINESS

- a. **Property Signage** – Chris reported that he and Shirley have met with Mel Nishihara at the Kauai County Parks Division. Mr. Nishihara did some preliminary investigation prior to the meeting and was open to our suggestions. Shirley added that Mr. Nishihara was not able to make a decision independently but he committed to doing some follow up to determine the best course of action for the Association. Chris noted that he gave some existing signage examples for Mr. Nishihara to look up. They were the "Welcome to Poipu" sign and "Sheraton Kauai" sign , both in Poipu. Shirley will check with Mr. Nishihara for an update.
- b. **Building L, Engineering Report / Repair Options** – Shirley reviewed the issue indicating that after the May Board meeting there were questions that could not be answered until the Board was able to discuss them in full session. Shirley related her concern that the discussion on this issue had become fragmented for some of the Board members due to individuals discussing the issue without the involvement of the entire Board. Shirley asked that, in the future, discussions on the issue involve the entire Board.

Harry submitted and reviewed a written report he prepared after inspecting the site. Alan Snodgrass also submitted a report he obtained from a professional acquaintance with engineering background.

Chris reported that obtaining a bid for the work has been difficult due to the lack of contractors willing to take on the project. Chris has a contractor compiling a bid based on guidelines provided by Shinsato Engineering.

Shirley suggested that the project be put on hold until the Board has a chance to submit their questions to Mr. Shinsato (engineer)

MOTION: *To invite Mr. Shinsato to meet with the Board at the Board meeting on February 20, 2004 to answer questions on Building "L".*

MOVED BY: Elinor Weeks, Second: Harry Baker

DISCUSSION: It was agreed that all questions should be submitted in advance to Chris so he can compile and forward them to Mr. Shinsato.

VOTE: Unanimous
RESULT: PASSED

- c. **Modifications to Units E61 & E62** – Discussed in executive session.

Executive session report: Issue referred to legal council

- d. **Rain Gutter Bid** – Chris reported that he obtained a proposal from Bronco Construction to install rain gutters on each building that required better drainage. The proposal included installing additional gutters to buildings "B", "C", "D", & E. It also included adding extensions to existing downspouts on buildings "H", "I", & "J". The cost for materials and labor to complete the work will be \$2,733 plus taxes.

MOTION: *To accept the proposal from Bronco Construction with funds to be expensed from the reserve.*

MADE BY: Harry Baker, Second: Linda Garcia

VOTE: Unanimous

RESULT: PASSED

- e. **Other Unfinished Business** – No other unfinished business was discussed.

7. NEW BUSINESS

- a. **Budget 2004** – Rick reviewed the budget presented and any significant changes versus the 2003 budget. The budget is balanced on the assumption that there will be no maintenance fee increase in 2004. To balance the budget there was a need to reduce the overall contribution to the Reserve fund. Insurance is the most significant increase from 2003 versus 2004.

Gus feels there is a need to increase the maintenance fees in future years. Gus would like to alert owners that an increase in maintenance fees is pending in 2005.

MOTION: *To accept the proposed budget for 2004.*

MOVED BY: Gus Enderlin, Second: Cathy Martin

VOTE: Unanimous

RESULT: PASSED

- b. **Pool Filtration** – Chris reported that since September when Harry Baker had provided information on a pool filtration system that used salt to generate natural chlorine instead of chemical chlorine, Chris had verified that this type of system is acceptable under Hawaii statutes and obtained additional information on the system. Chris agreed with Harry's assessment that this system would work well for our situation.

MOTION: *To install a salt water chlorination based filtration system. The system to be installed at a time recommended by management.*

MOVED BY: Gus Enderlin, Second: Cathy Martin
VOTE: Unanimous
RESULT: PASSED

- c. **Other New Business** – Other business was discussed as follows:

- i. **Management Fees** – Rick reviewed a report on historical fees structures. Rick requested the Board consider an increase in management fees of \$250 per month starting the next contract term (June 1, 2004).

MOTION: *To accept the proposed increase for the next contract term starting June 01, 2004.*

MOVED BY: Gus Enderlin, Second: Cathy Martin
VOTE: Unanimous
RESULT: PASSED

- ii. **Letter from Homeowner (Bob Silva)** – A copy of collection of letters from homeowner Bob Silva (unit #B18) was provided to each Board member for review. Chris reported that the topics within the letters were previously discussed and informally responded to. Mr. Silva has asked that the Board make a more formal review and response. Shirley will work with Chris to respond to Mr. Silva on his concerns.
- d. **Employee Bonuses** – Chris requested Board's approval to provide year-end bonuses to each employee. Using the same factors as in previous years, Chris estimated the total amount to be \$5,500 based on the status of current employees.

MOTION: *To provide the annual bonus based on levels used in previous years.*

MOVED BY: Elinor Week, Second: Cathy Martin
VOTE: Unanimous
RESULT: PASSED

- e. **Executive Session (ADA)** – The following report was made.

Executive session report: The Board approved the new design for a wheelchair ramp at the front office.

8. ADJURNMENT

The meeting was adjourned at 3:50PM