

ASSOCIATION OF APARTMENT OWNERS
MAKAHA VALLEY PLANTATION
MINUTES - Board of Directors Meeting

Date: October 23, 1990.

Place: Makua Room, Sheraton Makaha Resort

Present: Charles Houtchens, Tom Youngblood, Blythe Thomas,
Loretta McDaniel, Sandy Grant

By Invitation: Marie Calder-Clayton, Management Executive, Hawaiiana Management Co.; Ron Wallwork, Resident Manager; Emerald Souza, Assistant Manager; Michelle Fernandez, Security Captain; Betty Thomas-181A; Aldene Doherty-184B; Denise A. K. Dung-14B; Bonnie Sorensen-2B; M/M Bob Eskola-87C; Les Rhea-195A; M/M Robert Weaver-97A; M/M Cliff Weber-163A; Donald Tamme-79C; M/M Bob Houser-29; Tom Powers-88A; Andrew Heuscher-23B; Carol O'Malley-23A; Fred Collison-110B.

A quorum being present, President Houtchens called the meeting to order at 7:00 PM.

The Minutes of the meeting of August 28 were approved unanimously as distributed.

Correspondence

- 1) C&C Honolulu-re Shafer: advising Lyn Shafer had been sentenced to 10 years on Count 46 and 5 years on Counts 1-4 - sentences to run concurrently - information only.
- 2) Anderson & Costa & Tamura - re architectural services re awnings and lanai extension - information only.
- 3) Hashimoto-52C - information only.
- 4) Melchin Realty - renewal of rental agreement - to New Business
- 5) Nitto Hawaii - re construction on and under Makaha Valley Road.

1
Reports

Reports of President Houtchens, Treasurer McDaniel, Property Manager Calder-Clayton, Resident Manager Wallwork and Security Captain Fernandez are attached.

Committee Reports

The Budget Committee report was read by Mr. Weber - moved into Unfinished Business. Report attached.

Unfinished Business

22

- 1) **Budget Committee** - In the committee report, several questions were asked.
- 1) Explain "Miscellaneous Repairs and Purchases". Ms Clayton advised these included all repairs and purchases which are not listed under a specific category.
 - 2) Why is Administrative Supplies and Services double last years budget ? It was suspected that the computer, fax unit and copy machine were included in this amount, along with printing of the By-Laws and House Rules, most of which will not be recurring items. It was suggested that the amount allowed for this category is possibly on the high side.
 - 3) Management Services increase should not be implemented until June 1st, rather than January 1st. Agreed that the contract expires on June 1st and new contract will take over then.
 - 4) Under Workers Compensation, what is meant by "Fair Market Rental Value of Lodging" ? Ms Clayton explained that the value of lodging supplied to employees (Resident Manager) must be included for tax purposes. In our case, there is no problem as we rent his unit and the actual rental amount must be shown.
 - 5) Explain "Miscellaneous Expenses". Ms Clayton advised these were expenses such as the rental of the meeting rooms for monthly and annual meetings, etc.
- A long discussion took place regarding a Maintenance Fee increase. If we do not increase the fee, we will end up the year with a deficit, even though we have a reserve fund for various upcoming items. At a 10% increase, we will end up with a reserve fund of approximately \$6900 (assuming that nothing untoward occurs during the year). A 15% increase will allow the Association to build up a specific reserve fund, and still have sufficient money to work with during the year, and retain a contingency fund. There was considerable discussion by Board members and also owners present. Moved by Charles Houtchens that the Maintenance fees be raised by 15% effective January 1, 1991. Carried by a vote of 3 to 2, with Mr. Houtchens, Mr. Youngblood and Mr. Thomas in favor and Ms Grant and Ms McDaniel opposed.

- 2) **Washer & Dryer Rate Increase** - held over from May 1990 meeting. Moved by Loretta McDaniel that rates for washing be left at 75 cents and increase fees for the dryers from 50 cents to 75 cents. Carried by a vote of 3 to 2, with Ms McDaniel, Ms Grant and Mr. Thomas in favor and Mr. Houtchens and Mr. Youngblood opposed.

New Business

- 1) **Accident-Free Days** - The winner of Accident-Free Days for August 1990 was Tim Kahoolihala and for September 1990 Larry Pagoyo.
- 2) **Annual Meeting Date** - Moved by Charles Houtchens that the Annual Meeting date be February 16th or 23rd whichever is available. Carried unanimously.
- 3) **Telephone Vote re Political Literature** - A telephone vote forbidding a display of political literature on bulletin boards or signs on the Plantation was ratified.
- 4) **Mail Box Covers** - Held over to November Meeting.
- 5) **Roof Repairs** - Held over to November meeting.
- 6) **Melchin Realty** - Moved by Blythe Thomas that we continue the rental of Unit 45A for the use by the Resident Manager at the rate of \$750 per month and that the contract with Melchin Realty be signed. Carried unanimously.

The next meeting of the Board is scheduled for the Makua Room at the Sheraton Makaha Resort & Country Club at 7:00 PM on Tuesday, November 27, 1990.

The Board went into Executive Session at 9:05 PM, to discuss personnel matters. Meeting held at Pres. Houtchens home due to the lateness of the hour.

The Meeting resumed at 10:20 PM.

The Meeting adjourned at 10:21 PM.

Report of the President
October 1990

Having been on the Mainland for almost a month, I have very little to report this month. I had an enjoyable time, attending my 40th Graduation Class Reunion in Texas, and my 7th Naval Ships Reunion in Long Beach, Ca. I was surprised to see how much everyone had aged except myself.

Since you've heard the correspondence read by the Secretary regarding Lynn Shafer, the amount of money lost by the Plantation was approximately \$126,000. Also as you've heard she received a 10-year prison sentence for her crimes against many condominiums.

The Budget has not been completed as requested, although it is very close. There was a delay due to a computer glitch, requiring a complete rerun.

After I returned I noticed that several of the plants which should have been planted have remained in the nursery. Hopefully within the next couple of weeks there will be a lot more plantings being done.

Charles Houtchens, President.

TREASURER'S REPORT - SEPTEMBER 1990

Total Receipts for August 1990.....		\$ 109,762.18
Operating Expenses August 1990.....	83,908.75	
Major Improvements August 1990.....	0.00	
Total Operating Expenses for August 1990.....	83,908.75	
Total Operating Surplus/(Deficit).....	25,853.43	
Total Association Cash & Reserves.....	225,381.69	

TREASURER'S REPORT - OCTOBER 1990

Total Receipts for September 1990.....	\$ 104,200.37
Operating Expenses September 1990.....	127,916.12
Major Improvements September 1990.....	1,147.96
Total Operating Expenses for September 1990.....	129,064.08
Total Operating Surplus/(Deficit).....	(24,863.71)
Total Association Cash & Reserves.....	200,517.98

Loretta McDaniel, Treasurer.

Report of the Resident Manager
October 1990

A - Buildings

- 1) We now have two drywall people working on the interior water intrusion damage. Hopefully, we can get all caught up before the rains begin to fall and the cycle begins all over again.
- 2) A bid has been obtained from E. M. S. Roofing and Waterproofing to completely refurbish all roofs and then guarantee them with a maintenance contract for a period of five years. Our Board President has all the particulars.
- 3) We are now painting all steps and landing areas with a special mix paint that has rubber particles in it. This gives a non-skid surface and should create a lot safer footing, particularly during the rainy season.

B - Grounds

- 1) Slowly but surely we are filling in some of the gaps in the landscaping around the buildings with arrecá palms, crotons, etc. If you haven't been down to the propagation area lately, you'll be surprised. The new enlarged area is completely full of plants - our cup runneth over !
- 2) We're back to repainting parking stall numbers that have worn or faded away due to father time. So if you can't read your stall number, hang in there - we'll be getting to your stall soon.

C - Equipment

- 1) Our Auto Vacuum was shipped from the Mainland on October 19th and I'm hopeful that it will be installed and operative in the car wash area before the end of the month.
- 2) The Quiet Pool jacuzzi has been resurfaced for the fourth time (at no cost to M. V. P.). Super Treatment was another big failure - the material that was used has bubbled up on the steps and is starting to peel. They're still working on the problem.

- 3) A new auxiliary base radio unit has replaced the old broken unit at the Security Gate, and there is a definite difference in the reception from the base and the hand-held sets - much better now.

Ron Wallwork,
Resident Manager.

SECURITY REPORT - October 1990

Citations Issued in September/October 1990

Lanai	45
Noise	19
Parking	52
Stairways	13
Expired Decals	30
Oil Leaks	4

All large trucks of any sort are now being escorted while on MVP property, including Ilima Refuse.

Incidents

09-01-90 (Attempted Suicide) #156A - tenant attempted to slash her wrists - C&C Ambulance took her to Tripler. HPD on property.

09-04-90 (Code 1 Robbery) #115C - Called HPD - tenant of #106A had taken his pager.

09-16-90 (Internal Injuries) #169A & 99B - Domestic dispute. Tenant #99B had internal injuries from dispute. C&C Ambulance & HPD involved.

09-17-90 #14B - Homeowner fell down 15 stairs and was found unconscious. C&C Ambulance to Kaiser Emergency.

09-18-90 (Damage to Common Property) - moving truck at #41A damaged lamp post.

09-19-90 (Attempted Auto Theft) #130C - blue pick up truck - HPD not involved

09-23-90 (Vehicle Accident at Front Gate) - Guest of #87B was denied entry due no permission to enter premises. Guest was upset and reversed vehicle into guest of #88C. HPD was not involved and the incident continued off premises.

09-26-90 (Damage to Common Property) - Hawaiian Movers going to #163B ran over plants.

10-03-90 (Burning Vehicle) #62B - HFD & HPD on premises. Captain maintained until fire under control. Vehicle towed.

10-05-90 (Domestic) #185B - Damaged screen door of #185A - Settled by HPD.

10-06-90 (Vandalized Vehicle) #70B Damaged lock, paint scratched and emblem stolen. HPD not involved.

10-07-90 (Asthma Attack) #16A - Child rushed to Tripler by C&C Ambulance.

10-09-90 (Runaway) HPD on MVP looking for teenager friend of #73B and #186B. Boy found on MVP and arrested.

10-09-90 (Broken Window Panes) #186A reported broken window panes to #185A. HPD not involved.

Fines Issued

13B - Stairway conditions - \$25.00
 #116C - Noise - \$25.00
 #141C - Damage to Common Elements - \$50.00
 #191A - Noise - \$25.00
 #191A - Noise - \$25.00

Fines Paid

68C - Personal items left at dumpster area - \$25.00
 # 84B - Oil Leak - \$25.00
 #108A - Oil Leak - \$25.00
 #153C - Domestic - \$75.00
 #196C - Noise Disturbance - \$25.00

M. Fernandez, Security Captain

BUDGET COMMITTEE REPORT 1990-1991

To: Board of Directors

From: Budget Committee

The following is for Board information and consideration. It is the consensus of the Budget Committee findings. Unless otherwise noted, the item is approved.

1. What does "Miscellaneous Repairs and Purchases" cover ?
2. Why is Administrative Supplies and Services double last years budget ?
3. Management Services increase should not be implemented until existing contract expires June 1991 not January 1991.
4. Under workers Compensation, what is meant by "Fair Market Value of Lodging"?
5. Explain "Miscellaneous Expenses".

As to the Maintenance increase to cover Painting, Roofing, etc. (Reserves), as explained by the Capital Budget and Reserves Analysis, the Committee recommends the following additions:

1. Solar Heating for Pools.
2. Complete overhaul of the Sprinkler System.
3. Complete Sanding, Cleaning, Sealing and Re-painting of all landings and stairwells.

At this time, no figures are available for these three items.

4. The present Board has closed all the leaks of wasted funds.
5. The only source of funds needed to keep Makaha Valley Plantation a highly valued place to live is through Maintenance Fees. This Budget Committee concludes that there has been no Maintenance Fee increase for over three years, when the average unit market value was \$55,000, as against \$175,000 in 1990. Property values are up approximately 300% since the last Maintenance Fee increase. It is imperative that we set up a proper reserve fund to maintain the facilities at and above their present level.

Therefore, the members of this Budget Committee unanimously recommend a 15% Maintenance Fee increase, effective January 1, 1991. It also recommends that specified Capital Reserve Funds be protected against use for other reasons, such as open hearings and special committee approval.

A Maintenance Fee increase which costs less per day than a bottle of beer, a pack of cigarettes or a cup of coffee at the Sheraton Makaha should not ruin the budget of any owner.

(sgd) Cliff Weber, Chairman,
for Bonnie Sorensen
and Virginia Eskola.

MAKAHA VALLEY PLANTATION

84-786 Ala Mahiku Drive,
WAIANAE, HI 96792

To All Owners of Makaha Valley Plantation

Enclosed in this package are:

- 1 - The Minutes of the Annual Meeting - 1990, (approved),
- 2 - A copy of a notice regarding late fees and other owed fees
- 3 - A copy of a change to the House Rules, required by the Federal Fair Housing Act.
- 4 - A copy of the 1990 Budget
- 5 - An excerpt from the Annual Meeting

To all of you who were unable to attend the Annual Meeting, we missed you, and are very sorry that you were unable to be there.

To all of you who sent in your proxies, we are most grateful. Without these proxies, a meeting cannot be held.

To those of you who did not send in your proxies, we hope you will do so next year. Remember, it is only through your vote that we are able to operate - without a sufficient percentage, we must postpone a meeting, resulting in a very large expenditure of YOUR money.

As a Board, we felt this Annual Meeting went off quite smoothly. I wish to thank you for your vote of confidence in re-electing this Board.

Thanks again, and we hope to see all the owners in person next year.

Charles Houtchens

Charles Houtchens, President,
Association of Apartment Owners,
Makaha Valley Plantation