

ANNUAL MEETING – KALANIKAI AOA

MINUTES

February 15, 2020 – 9:06A.M. at Kalanikai

1. **ROLL CALL- CALL TO ORDER - DETERMINATION OF A QUORUM:** Ed Gibbons, Treasurer, Sheryl Weinstein, Secretary & Bruce Gainer, President. (Jessica Haley & Roma not present).
2. **PROOF OF NOTICE OF MEETING-**Owners were notified of the meeting on January 14, 2020 via email, US mail, and/or delivery to the units. 62% of owners submitted proxies. Quorum established.
3. **INTRODUCTION OF BOARD MEMBERS AND GUESTS:** Jeremy Montanez, RM; Cindy Kuhlman-Low & Julie Dela Cruz, Touchstone Property Management.
4. **CONDUCT OF BUSINESS:** Rules provided.
5. **AGENDA REVISION:** none.
6. **APPROVAL OF MINUTES OF PRECEDING ANNUAL MEETING;** approved as written.
7. **Insurance Presentation:** Tad Nottage, Aloha Ins. H06 does not cover flood damage; however, it does provide for water damage, including tsunamis. National Flood Damage Policy covers only up to \$200,000 each unit. \$5000 Loss Assessment per event. Vacation rentals are covered by your H06 as a secondary residence. We have Hurricane Insurance with a 2% deductible. If you want your own Hurricane insurance Zephyr Insurance is recommended.
 - a. Don Koepnick asked about ???
8. **REPORTS FROM OFFICERS**
 - A. **President's Report:** Acknowledgement & MAHALO TO ALL OUR VOLUNTEERS:
 1. Bob Barrett for chicken herding—helps keep the bugs down on property.
 2. Painters: Nick & Maurine Dodson, Dick Seidl, Orlando Rodriquez, Elmer Jenson(also helps with Insurance Coverage research, Jerry Schack- (outdoor lighting,) John Tamashiro, Kent Olsen, Kim Montanez, Tyler Nelson, Stefan Buchta.
 3. Dick, Mark & Stefan for helping set up meeting area.
9. **Treasurer's Report:** Treasurer's Report: Ed:
 - a. Dec 31. 2019
 - b. Total Cash Account: \$21,276
 - c. Reserves Total: \$98,026
 - d. Receivables from Owners: \$180,948
 - a. Assets Total: \$282,249
 - b. Liabilities: 34,968.06
 - c. Total Net Worth: \$247,281

The Kalanikai AOA is collecting on all units for the first time in many years. \$45,181 of non-payment of dues had to written off due to expiration of the statute of limitations in 2019.

 - C. Committee Reports or Board Reports: None.
 - D. AUDITOR'S REPORT: Received just before Annual Meeting & is pending review by Touchstone & the AOA BOD 2018 & 2019.
9. **APPOINTMENT OF INSPECTORS OF ELECTION:** Touchstone & Sharyn Holliday.
10. **ELECTION OF (2) DIRECTORS**
 - a. **NOMINATIONS on Ballot:** Tracy Marvin & Stefan Buchta.
 - b. **NOMINATIONS** from the floor: None.

11. EXPLANATION OF SYSTEM OF VOTING:

12. EXPLANATION OF BALLOT

13. QUORUM UPDATE:

- A. In person: 32.03
- B. Proxy represented: 36.495
- C. Total Represented: 68.525

14. UNFINISHED: None.

15. NEW BUSINESS

- A. Resolution on Assessments: Excess monies from December 31, 2019. will be rolled over to Operating Expenses for the fiscal year 2020. No Objections. Resolution adopted.
- B. 2012-13: WiFi needed for the Solar Project & was approx. \$1.80/per owner for basic internet coverage. Memory/usage demand has increased considerably by everyone due to streaming movies, most especially. Kalanikai's WiFi system supports the ground camera security system and monitoring the Solar Collection system metering. Bruce Campbell has been helping us with maintenance. Over the years we've done equipment access point upgrades, however this is costly and nearly impossible to keep up with increasing bandwidth demands. AOA is also being threatened with fines for Owner's infringement of copyright laws as the owners of the modems. Around \$5000 to upgrade the WiFi system to accommodate the usage. We would be able to throttle owner's usage, which would need to be monitored by IT person. Currently \$3.00/per unit & throttle everyone's usage down. The Kalanikai AOA strongly encourages purchasing your own WiFi system if you plan to do more than check email! By show of hands, membership overwhelmingly voted to maintain the Wi-Fi system and throttle usage to limit use beyond basic internet and email functions.
- C. Purchase of Triangle Lot corner of Kuakini & Henry Streets
Available for purchase: company Kona LLC(foreign owned). Construction & development by Sentinel Corp.
 - 1: Three Main Issues: Finance, development/design & use, what to do with it if we get it? County Planning Dept provided limitations, restrictions, etc.
 - 1. Should AOA purchase the Triangle Lot? Unanimous show if hands in favor.
 - 2. What kind of financing should we pursue? Short term loan vs. private hui of Owners to purchase & have lease to use lot. Basic estimated worth \$307,600 according to county assessment. Discussion:
 - a. Sharyn Holliday: Ingress/degress: Hawaii County says to change access ingress/egress of Henry or Kuakini—would be prohibitively expensive-but there could be access on Henry St. Flood drain culverts would be involved, utility poles.
 - b. Ed Gibbons: Buildable sq. ft. size is of building A & 100's of possible commercial property possibilities. 15' setbacks.
 - c. Don Koepnick: if we purchase the property-how will we pay for it? Generate income? Answer: It's in a designated floodway. Cannot block any potential water flow. Cannot be paved without BFE country planning & engineering. We could probably use it for gravel parking, keep up the landscaping, and have a shared common area.
 - d. Dawn #308: Would we access by our driveway? Answer: Yes.
 - e. Stefan: What is the BFE? Answer: Approximately -.6-.1 in the Flood Zone at the Cabana 1.
 - f. Lawrena: Where is all the water from the new Lanihau shopping center going/draining to? Answer: 10 collection points are being installed-- --do not know where the water will drain.

- g. Corey #S202: How much to pave it? Answer: do no more than clean up lot, bring in crushed rock, improve landscaping, fence. Answer: Approximately: \$5-10,000 with Owner's support/volunteers. Chain link fence with living border: 80 ft fence = approximately x \$3500 as an estimated cost.
- h. John #216: increase in rates plus taxes & insurance, maintenance fees Plus we're still saving for solar batteries. Answer: True—should be minimal. added expense once we clear initially. Monthly \$100/month. Year 2019= \$538 taxes. Additional liability insurance is may be \$2-300 additional.
- i. Alice: Whatever amount we need to pay for the lot far outweighs the benefits: homeless problem, noise, dust, fire threats, etc.
- j. Sharon: Overflow parking: Extra parking spots could be rented out: i.e. 10 spots= 100/month = \$12,000/year to generate income.
- k. Carol: How much would we be able to afford personally (per month) if we temporarily increase the Association dues?

VOTE: *

- l. Consortium Proposal: Individual Owners purchase the lot: Pay them back/quick claim at some point and sign back over to Kalanikai AOA. Voted down unanimously.
- m. Corey S202: Could we expand the Solar Project on the lot? Answer: Not really—it would be a standalone. Can't add to the meters in use now.
- n. Sharon H.; One parking stall is required per every 300 sqft. Of building spaces. (9x18 sq ft per parking space): One parking space is required per 300sq ft. There's 28,000sq ft of possible usable property.
- o. Ed: Possibilities for land usage: Infinite possibilities, including a zoo! Zoned commercial only.
- p. Dawn #308: Possibly offset cost of purchasing/maintaining the lot with renting out parking spaces.

Take away points: Top Number to purchase .669 acre lot Triangle Lot:

Special Assessment vs. increase in monthly rates: Maximum amount Kalanikai Owners are willing to pay for a temporary increase in monthly dues: \$150/month.

Total estimated offer/value [REDACTED] vote.

16. **ELECTION RESULTS: VOTING** Stefan Buchta: 61.055% Tracy Marvin 55.765% Terms expire February 20, 2023.

17. **ADJOURNMENT:** 11:23AM by President Bruce Gainer.

Recorded by Sheryl Weinstein, Secretary.

18. **ORGANIZATIONAL AND SHORT BUSINESS MEETING OF NEW BOARD, ALL OWNERS WELCOME. TO ATTEND.**