

**AOUO THE COLLECTION  
BOARD OF DIRECTORS MEETING  
OCTOBER 29, 2019  
MINUTES**

**I. CALL TO ORDER**

President Funakoshi called the regular Board of Directors meeting for AOUO The Collection to order at 6 PM in the Tower Club Room.

**II. ATTENDANCE**

**Board Members:** President Rodney Funakoshi, Vice President Wei-Kung Wang, Secretary Debra Ishihara-Wong, Treasurer Joseph Kraulik and Directors Kevin Kwan and Henry Lew *(arrived at 6:30 PM)*

**Excused:** Directors Edison Ting, Taylor Nguyen, and Tyler Street

**By Invitation:** Debi Balmilero, CMCA<sup>®</sup>, AMS<sup>®</sup>, PCAM<sup>®</sup>, Management Executive, Hawaiiiana Management Company, Ltd.; Mike Baker, Desmond Oliveira, The Collection Management; Brian Tilker, Esq., Torkildson, Katz, Hetherington, Harris & Knorek

**Guests:** Unit M304, Rey Aguda; Unit 405, Neal & Lyn Fujimori; Unit 603, Herbert Hinazumi; Unit 708, Diane Nakamura; Unit 1010, Shirley Arakaki; Unit 1203, Ratcliff Lee; Unit 1504, Cheri Tillotson; Unit 1807, My Ung Ok Lee; Unit 2009, Tim Brown; Unit 2702, John Cheung; Unit 2806, Sandra Furuike; Unit 3006, Roy Howard; Unit 3703, Jose Beltrano; Unit 3910, Darold Wong; Unit 4103, Carol Ing;

*(Note: Guests were present only during Regular Session)*

**III. MINUTES**

There being no corrections, the Board by unanimous consent approved the minutes for the meeting of September 17, September 23, and October 2, 2019 as distributed.

**IV. REPORTS**

**A. Treasurer's Report**

Treasurer Kraulik noted that Monday, November 4, 2019 at 6 PM, Tower Club Room, there will be a Budget and Finance Committee Meeting.

The Board, by unanimous consent, accepted the September 2019 financial statements, subject to audit.

**B. General Manager**

The written report from the Management Office was reviewed and is on file with the management office.

**a. Employee Handbook**

A **motion** was made by Treasurer Kraulik and seconded by Secretary Ishihara-Wong to approve the Employee Handbook as presented. The motion carried unanimously.

**b. Storm Drain Maintenance**

A **motion** was made by Treasurer Kraulik and seconded by Secretary Ishihara-Wong to accept the proposal for quarterly storm drain maintenance plus an annual cleaning from Enviro Solutions for \$5,975 plus tax. The motion carried unanimously.

**c. Emergency Generator Servicing**

A **motion** was made by Treasurer Kraulik and seconded by Director Kwan to approve the proposal from Generator & Power Systems to conduct an annual servicing for \$1,693.91. The motion carried unanimously.

d. Lobby Window Replacement

A **motion** was made by Treasurer Kraulik and seconded by Secretary Ishihara-Wong to accept the proposal from Akamai Glass to approve the proposal to replace the lobby glass window for \$1,030.00. The motion carried unanimously.

*Director Lew arrived at 6:31 PM*

e. Trash Collection – Commercial Units

A **motion** was made by Secretary Ishihara-Wong and seconded by Vice President Wang to notify the Commercial Unit Dry Bar to stop all trash disposal and terminate the current contract with a thirty-day notice. The motion carried unanimously.

f. Front Desk - Key Maintenance

GM Baker noted that all unit keys being provided to the front desk staff will be stopped.

C. Budget & Finance Committee (*Chair Joe Kraulik, Members: Rodney Funakoshi, Wei-Kung Wang, Debra Ishihara-Wong, Henry Lew, Kevin Kwan, Edison Ting, Tyler Street, Taylor Nguyen*)

a. Unit 401 Interest Rate

A **motion** was made by Treasurer Kraulik and seconded by Vice President Wang to re-amortize the current unit loan payment from \$5,168 with the current interest rate of 3.87% to lower the rate to 3.2% and lower the payments to \$4,831. The motion carried unanimously.

b. Reserve Study

A **motion** was made by Treasurer Kraulik and seconded by Secretary Ishihara-Wong to accept the proposal from Barrera & Co. for a full Level I Reserve Study for \$2,400. The motion carried unanimously. The motion carried with Vice President Wang and Director Lew abstaining.

c. Investments

A **motion** was made by Treasurer Kraulik and seconded by Director Kwan to invest \$500,000 from the Tower funds for their recommended investments in certificates of deposit with Wells Fargo Investments effective immediately. The motion carried unanimously.

d. RFA 14-2019: Suspend Contributions to Reserves on the Tower Pending Dispute Resolution

This request for action was denied for lack of a motion.

D. Building, Grounds & Design Review Committee (*Chair Kevin Kwan, Members: Rodney Funakoshi, Wei-Kung Wang, Byron Ho, Cherie Dang, Neal Fujimori, Darold Wong*)

Committee Chair Kwan noted that the committee will be reviewing options to review doorbells and meeting in November 2019.

a. Doorbell Standard

This item was deferred for further review.

b. Tower Solar Photovoltaic (PV) System (*PV Chair Funakoshi*)

Chair Funakoshi noted that the PV project has been submitted to Hawaiian Electric for review. He noted that the amount of panels have increased to 906 to cover driveways. He noted that forty-nine have submitted their approval and two have opposed. There will be a separate meeting to cover the details once approved.

E. Commercial Units Report (Chair Tyler Street)

No Report.

F. Governance Committee (Chair Wei-Kung Wang, Members: Kevin Kwan, Edison Ting Darold Wong, Kathy Davey)

Chair Wang provided the committee's review of the following items:

a. RFA 17-2019: Prohibit Dogs and Other Pets Without Current Vet Health Certificate

This item was deferred.

b. RFA 18-2019: Immediately Separate Midrise from Tower/Commercial

A **motion** was made by Vice President Wang and seconded by Director Lew to obtain a review of specific questions from legal counsel regarding the options available to separate or merge the specific entities with the Executive Committee to pursue based on costs. The motion carried unanimously.

c. RFA 23-2019: Amend the Administrative Rules Re: Plants and Other Uses

Chair Wang noted that the current house rule 2.12 states "Lanais shall not be used for storage in any manner, including without limitation, sports and play equipment, surplus cartons, boxes, or any other belongings. Any furniture, plants, or other articles which, in the opinion of the Board, are unsightly, shall be removed from and kept off of the Lanais upon request by the Board" and GC recognized that dry potting soil and dry potted plant could be potential fire hazard.

The committee recommended denial of the RFA to amend administrative rules at this moment and a review of complaints on lanai use will be conducted by the General Manager and his staff.

A **motion** was made by Vice President Wang and seconded by Director Kwan to deny the request and educate the residents. There were five votes in favor with Director Lew abstaining. The motion carried.

G. Master Association Representative

Chair Kraulik provided information regarding the review of the Master Association Documents by legal counsel. He will be following up with the attorney regarding the comments provided.

H. Social Committee

President Funakoshi noted that the Halloween gathering will be held on October 30, 2019.

I. OWNERS FORUM

Unit 3006: Roy Howard noted that the Townhomes initiated a review of the master documents.

Unit M304: Ray Aguda requested information on the submetering charges, and requested assistance on his doorknob issues.

II. UNFINISHED BUSINESS

A. Written Consents

a. Managing Agent Contract Written Consent

ME Balmilero provided an update on the status of the current written consent for the managing agent contract with 59.477162% in favor and 4.247236% opposed. President Funakoshi to draft a reminder letter.

B. RFA 15-2019: Reconsideration of RFA Approval Regarding Pre-Mediation Conferences

The Board, by majority consent, in executive session on September 23, 2019, reconsidered and denied the RFA.

### III. NEW BUSINESS

#### A. RFA 24-2019: Prohibit Executive Sessions and Closed Meetings

The RFA was denied for lack of a motion.

#### B. RFA 25-2019: AOOU Community Forum

The RFA was denied for lack of a motion.

#### C. RFA 26-2019: Better Communication from Executive Sessions

A **motion** was made by Director Lew and seconded by Secretary Ishihara-Wong to request executive session decisions to be included in subsequent board meetings. The board meeting minutes will be posted on the association website after board review and edits within two weeks of meeting completion. Also, for both board meetings and executive sessions, board members are allowed to attend and vote by video conference. The motion carried unanimously.

#### D. RFA 27-2019: Advance Submissions before B & F Committee

The RFA was denied for lack of a motion.

#### E. Unit 2502: Intentional Wrongful Acts & Urgent Requests

GM Baker noted that the two incidents were reviewed and investigated. No further action was needed at this time.

#### F. Unit 708: Fitness Center Noise

This request was referred to the Governance Committee for review.

#### G. Association Policy 115: Email Communications and Requests for Documents and Information

A **motion** was made by President Funakoshi and seconded by Treasurer Krahulik to adopt the Association Policy as presented. The motion carried unanimously.

#### H. Debit Card

A **motion** was made by Treasurer Krahulik and seconded by Secretary Ishihara-Wong to approve the issuance of a debit card for the Building Engineer, John Pei. The motion carried unanimously.

### IV. EXECUTIVE SESSION

A **motion** was made by Secretary Ishihara-Wong and seconded by Treasurer Krahulik to adjourn and reconvene in executive session to discuss and vote upon matters concerning litigation in which the Association is or may become involved and/or as necessary to protect the attorney-client privilege of the Association. The motion carried unanimously.

President Funakoshi adjourned the regular session into executive session at 8:24 PM and resumed the regular session at 9:21 PM.

#### A. Legal Matters

##### a. Account 2722-209

The Board, by majority consent, authorized legal counsel to act on behalf of the association with respect to selection of arbitrator and with respect to settling matters with claimant based on an acknowledgement that the fines at issue were valid, and a consent that the fines can be reinstated if there is a future violation.

b. Account 2722-240

The Board, by majority consent, denied the requests for waiver of administrative costs incurred in connection with document requests.

The Board, by majority consent, determined that Directors Krahulik and Kwan shall represent the association at the January 22, 2020 mediation with full authority to settle on behalf of the Board, with any other Board member welcome to attend said mediation if he/she wished to do so.

The Board, by majority consent, determined that with respect to the recent request for production from owner dated October 16, 2019, general counsel is authorized to prepare a response denying request based on deficiencies and seek a good faith affidavit and advancement of costs as appropriate to the extent the request seeks other records of the Association. Any requested records that are required to be turned over to owner and are the subject of a valid request, should be provided to owner subject to general counsel seek a good faith affidavit or appropriate cost reimbursements as provided under Hawaii law.

c. RFA 21-2019: Behavior Unbecoming of a Board Director

This item was deferred.

V. NEXT MEETING

A regular Board of Directors meeting of AOOU The Collection will be at the call of the Board President or on **Tuesday, November 19, 2019 at 6 PM, Onsite Tower Club Room.**

VI. 2019/2020 MEETING SCHEDULE *(Tower, Club Room, 6 PM)*

January 28, 2020, February 25, 2020, March 31, 2020, April 28, 2020 *(Annual Meeting 6 PM, Salt Barn)*

VII. ADJOURNMENT

There being no further business, President Funakoshi adjourned the regular Board of Directors' meeting at 9:21 PM.

Approved By:

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Recording Secretary:

Debi Balmilero CMCA<sup>®</sup>, AMS<sup>®</sup>, PCAM<sup>®</sup>  
Management Executive  
Hawaiiana Management Co., Ltd.