

**AOUO THE COLLECTION
BOARD OF DIRECTORS MEETING
MINUTES
SEPTEMBER 11, 2024 AT 6:00 PM
ZOOM VIDEO CONFERENCE**

I. CALL TO ORDER

President Funakoshi called the meeting to order at 6:00 p.m. A quorum was established.

II. ATTENDANCE

Board Members: President Rodney Funakoshi, VP Wei-Kung Wang, Treasurer Gwen Young, Directors Henry Lew, Shirley Arakaki & Edison Ting.

Absent/Excused: Secretary Sharon Gi (Excused), Directors Debra Ishihara-Wong (Excused), Directors Sarah Mandeville (Excused).

By Invitation: Mike Baker, General Mgr., Desmond Oliveira, Exec. Mgr., The Collection
Michele Alueta, Community Manager (CM), Associa Hawaii
Kimberli Lo, Morgan Stanley Wealth Management
Scot Sterenberg, Marsh Company Insurance

Guests: Unit 2803, Steve Shaw; Unit M211, John McFadden; Unit M212, Betty Gamundoy;
Unit 2006, Wendie Newman; Unit 2108, Janet Yee; Unit 3104, Dawn Schaffrick;
Unit 910, Sadri Ahmad; Unit 2601, Ahe-Yong Lee; Unit 405, Lynette Fujimori;
Unit 3404, Ruth Mizumoto; Unit 3301, Jason Uchida.

III. INVITED GUEST – KIMBERLI LO/ MORGAN STANLEY & SCOT STERENBERG/ MARSH INSURANCE COMPANY

Kimberli Lo with Morgan Stanley gave a brief presentation on her role as the financial adviser to the association and then introduced Scot Sterenberg with Marsh Insurance Company. Scot gave a presentation on how he can assist the Board with obtaining insurance for the association. He will send references for the Board to review. They departed the meeting at 6:49 p.m.

IV. BOARD ORGANIZATION – BOARD MEMBER APPOINTMENT

President Funakoshi reported that Director Kathy Egan resigned leaving a vacancy on the Board. Director Lew nominated Gwen Young to fill the vacancy on the Board. There were no further nominations. By unanimous consent, the Board appointed Gwen Young to serve on the Board and continue as Board Treasurer. At Director Lew's request, the Board approved to select Treasurer Gwen Young to be the primary contact for Scot Sterenberg/Marsh Insurance Company.

V. MINUTES

The minutes of the July 10, 2024 & August 14, 2024 Regular Board Meetings were approved by unanimous consent.

VI. REPORTS

A. Treasurer's Report

CM Alueta reviewed the Financial Report for the month of July 2024. The Financial Reports for the months of May, June and July 2024 were accepted subject to audit.

B. General Manager

The written report from the General Manager was presented by GM Mike Baker and is on file with the management office.

1. EV Charging Station: GM Baker gave a verbal update on this project. The rebate with Hawaii Energy will be filed since final payment has been made. The ChargePoint station head was replaced due to breaker issues. He will work with the vendor to assist the 5 owners who would like to install smart plug chargers in their stalls.
2. Employee Handbook Revision: Director Ting moved to accept the Employee Handbook Revision which included incorporating the approved transition from vacation/sick leave to PTO hours and added holidays for employees, including management. Seconded by VP Wang, the motion passed unanimously.
3. PLC Relay Pump Module: GM Baker reported an emergency repair for \$1811.65 to replace the failing PLC Relay Pump Module. Director Lew moved to ratify the approval for Pacific Boiler & Mechanical to replace the PLC Relay Pump Module for \$1181.65. Seconded by Director Arakaki, the motion passed unanimously.
4. GM Vacation: GM Baker advised that he will be on vacation from 9/14/24-9/20/24.

C. Budget & Finance Committee (Chair – Gwen Young)

No report.

D. Commercial Units Report (Chair Sarah Mandeville)

No report.

E. Governance Committee (Chair Wei-Kung Wang)

No report.

F. Master Association Representative (General Manager)

GM Baker reported the Master Association approved their 2025 budget which includes a 3% increase in Master Association Dues.

G. Social Committee

No Report.

VII. OWNERS FORUM

- M212/ McFadden: Asked the Board if they reviewed his insurance deductible appeal. President Funakoshi advised the Board will review his request in Executive Session.

VIII. UNFINISHED BUSINESS

- A. Construction Defect Claims - Update: GM Baker reported that there was a Mediation on 9/5/2024 and more testing will be conducted on 9/19/24. There will be 4 mediation sessions in October.

B. 2025 Budget & Reserve Study:

President Funakoshi moved, seconded by VP Wang, to approve the 2025 Operating Budget for each department, as presented by the Budget Committee, with the Common Department Budget excluding the excess hurricane insurance and if the Excess Hurricane Policy is approved later, the Board will have the option to approve a special assessment to pay for the premium. The motion passed unanimously.

Treasurer Young moved, seconded by VP Wang, to approve the 2025 Reserve Study Reports for each department based on the 1.5% interest rate and budgeting the reserve interest income based on the reserve study using the 4.5% interest rate. The motion passed unanimously.

The approved 2025 Budgets and Reserve Studies are as stated below:

- Common: The approved budget provides for \$67,343 per month in revenues, \$65,243 per month in total operating expenses and \$2,100 per month transfer to reserve funds. Effective January 1, 2025, maintenance fees to support the approved budget total \$62,392 per month, which is a 10.39% increase over the current year.
- Tower: The approved budget provides for \$384,240 per month in revenues, \$348,823 per month in total operating expenses and \$35,417 per month transfer to reserve funds. Effective January 1, 2025, maintenance fees to support the approved budget total \$316,661 per month, which is a 2.10% increase over the current year.
- Midrise/Lofts: The approved budget provides for \$39,866 per month in revenues, \$34,033 per month in total operating expenses and \$5,833 per month transfer to reserve funds. Effective January 1, 2025, maintenance fees to support the approved budget total \$35,502 per month, which is a 6.12% increase over the current year.
- Commercial: The approved budget provides for \$5,698 per month in revenues, \$3,464 per month in total operating expenses and \$2,234 per month transfer to reserve funds. Effective January 1, 2025, maintenance fees to support the approved budget total \$5,697 per month, which is a 10.19% increase over the current year.
- A 3% increase in management fee to Associa Hawaii from \$3,990.57/ month to \$4110.29, effective May 1, 2025 (per terms of the management agreement).

C. Unit 401 Sell Unit or Keep Unit/Pay-off Loan: This item was deferred until the next Board Meeting.

IX. NEW BUSINESS

A. Property Insurance & Excess Hurricane Increase: Treasurer Young moved to approve purchasing the \$167M of excess hurricane insurance for annual premium of \$530,466 for the term of 1/1/2024 through 11/1/2025. The motion was seconded by President Funakoshi and did not pass 3-3-0.

In favor: R. Funakoshi, G. Young, S. Arakaki

Opposed: W. Wang, H. Lew, E. Ting

Abstain: none

X. EXECUTIVE SESSION

VP Wang moved, seconded by Director Arakaki, to adjourn the regular session to go into Executive Session to discuss legal matters. Hearing no objections, the Board adjourned the regular session to go

into Executive Session at 8:08 p.m. and reconvened to regular session at 8:28 p.m.

The Board approved the attorney's recommendation to proceed with judicial foreclosure for one account.

The Board approved requesting that Insurance Associates cover the appealed deductible amount and formally notify owners of any changes to insurance premiums in the future.

XI. FUTURE BOARD MEETINGS

The next Board of Directors meeting will be on Wednesday, October 9, 2024 at 6 pm (via *Zoom*).

XII. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:28 p.m.

Submitted by:

Michele Alueta,
Recording Secretary, Associa Hawaii

Approved by the Board of Directors on October 9, 2024.