



# Newsletter

June 2023

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# 1 President's Message



I'm pleased to say we're moving forward on the elevator front. As previously noted, we had seven bids and we've given serious consideration to three of them. We're at a point at which the Board may be able to vote at the June meeting to select one contractor for final negotiations. We would like to see the elevator project completed by the last part of 2024 if at all possible. That may seem like quite a while from now, but replacing eight elevators is no small task.

We're also working with urgency on what to do about the City's plan to make the inner lane of Kuhio a bus-only lane. There's a more detailed report on this further down in the newsletter, but I'll just say that the City never discussed this with us, and the problems it may cause could be substantial.

Speaking of the City, please note on our General Manager's report how many items are awaiting approval from the Department of Planning and Permitting (DPP). They are by far our biggest obstacle, and despite having various contacts, things do not move quickly.

Finally, I want to give the final word on going back to in-person Board meetings. A few people have asked about this, but the bottom line is that we'll be continuing with Zoom meetings. These are more convenient for both the Board members and the vast majority of owners who are off-site most of the time. Owners who wish to gather can do so in the conference room in the AOA office, which is open to owners for Board meetings via Zoom on the big screen.

Board meetings in the end are business meetings, not social events, and there would be little chance for individual interaction with Board members. If you have issues that need to be discussed, you can raise them during the Owner's Forum or email [info@waikikibanyan.org](mailto:info@waikikibanyan.org). It's long been my intent that every inquiry receives a proper answer.

Thank you for your understanding.

---*Bob Newell, President*

## 2 Treasurer's Report



April 2023 & 2023 YTD Snapshot of Financials:

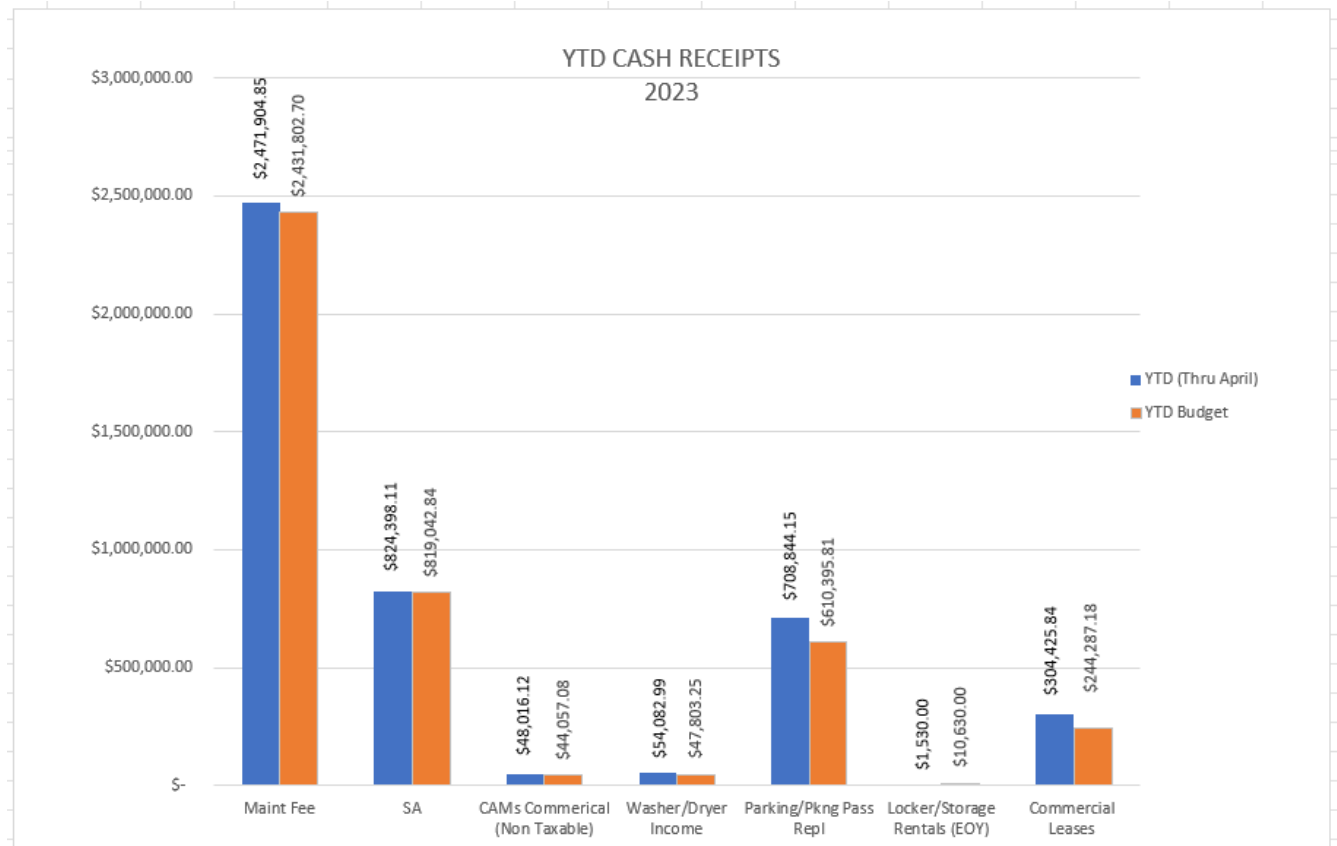
Cash Receipts:

April Cash Receipts:

Actual = \$1,123,085.59 Budgeted = \$1,072,350.29 (104.7 % to Budget)

YTD Total Cash Receipts:

Actual = \$4,553,555.75 Budgeted = \$4,289,401.00 (106.2 % to Budget)



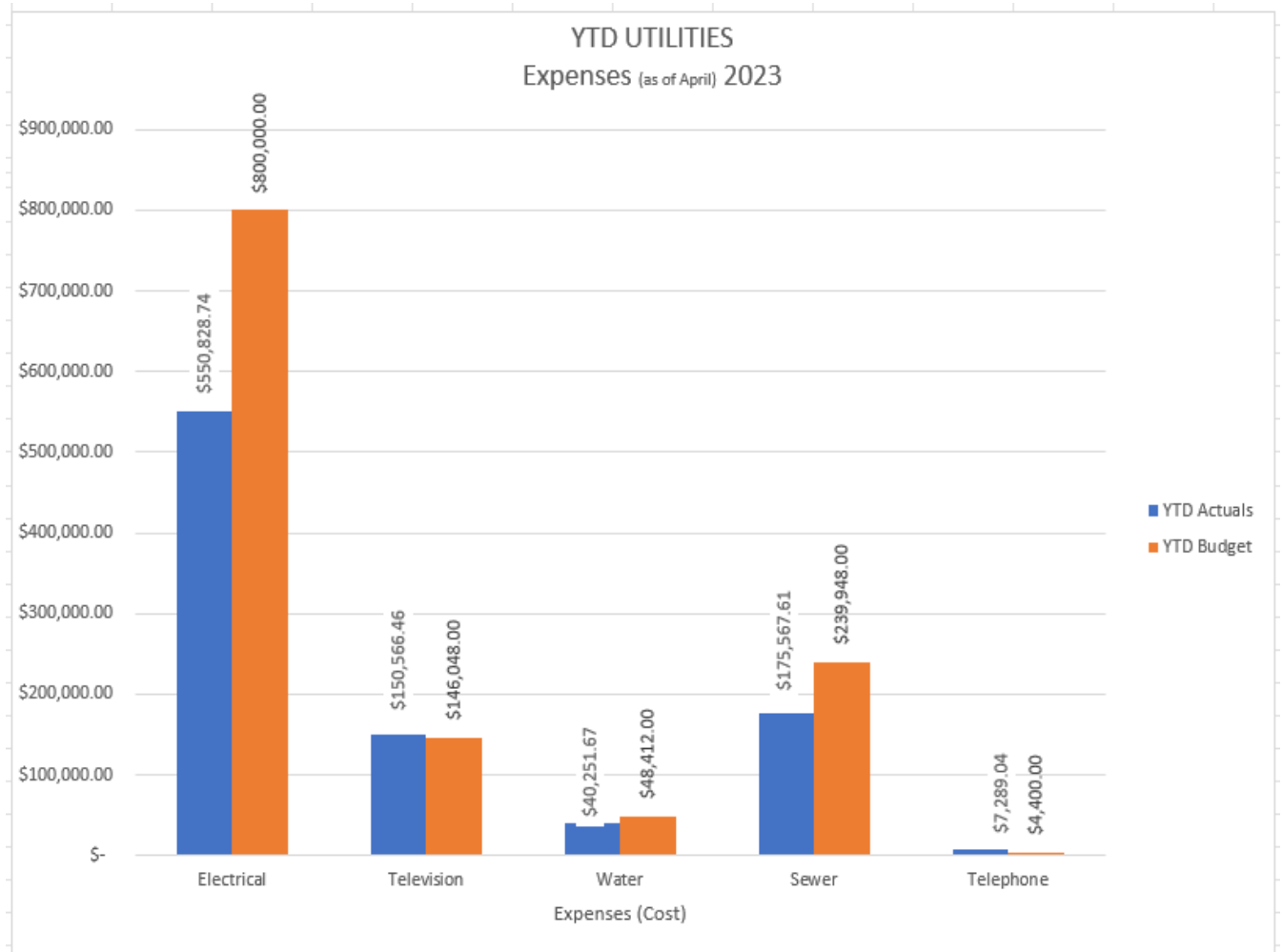
Cash Disbursements (*Expenses*):

April Cash Expenses:

*Actual* = \$1,014,795.00 *Budgeted* = \$749,989.81 (135.3% to Budget) (35.3% over)

YTD Total Cash Expenses:

*Actual* = \$2,881,607.24 *Budgeted* = \$3,136,224.00 (91.9 % to Budget) (8.1% under)



Operating Surplus/Deficit: (Cash Receipts – Cash Disbursements)

YTD Total Operating \$'s:

*Actual* = \$1,671,948.51 *Budgeted* = \$1,153,177.00 (145 % to Budget)

Total AOA (WB) Cash + Reserves:

YTD Totals:

***Actual* = \$11,804,090.97**



TREASURER'S REPORT  
 WAIKIKI BANYAN

**CURRENT MONTH SUMMARY**  
 MARCH 2023

INCOME	Actual	Budget	Variance
Non-Taxable Receipts for the month:	\$830,458	\$834,975	X -\$4,516
Taxable Receipts for the month:	\$266,976	\$237,376	✓ \$29,600
<b>TOTAL RECEIPTS for the month:</b>	<u>\$1,097,434</u>	<u>\$1,072,350</u>	✓ \$25,084
<b>EXPENSES</b>			
<b>TOTAL OPERATING EXPENSES for the month:</b>	\$555,581	\$732,450	✓ -\$176,869

There is a net operating **SURPLUS** of: ✓ **\$541,853**

<b>Utilities:</b>	\$109,564	\$309,702	✓ -\$200,138
<b>Contracts:</b>	\$204,579	\$249,037	✓ -\$44,458
<b>Building Maintenance:</b>	\$100,321	\$24,305	X \$76,016
<b>Administration:</b>	\$4,753	\$4,098	X \$655
<b>Professional Services:</b>	\$35,776	\$22,087	X \$13,688
<b>Payroll and Benefits:</b>	\$70,573	\$78,281	✓ -\$7,708
<b>Other Expenses:</b>	\$30,015	\$44,940	✓ -\$14,925

\*significant variances are listed on the attached report

**BANK BALANCES**

Operations Accounts balance is:	\$388,222
Reserve Accounts balance is:	\$11,631,689
Restricted Cash balance is:	<u>-\$150,297</u>
<b>TOTAL Cash and Reserves balance is:</b>	<b>\$11,869,614</b>

**YEAR-TO-DATE SUMMARY**  
 MARCH 2023

INCOME	Actual	Budget	Variance
Non-Taxable Receipts for the year	\$2,640,710	\$2,504,924	✓ \$135,785
Taxable Receipts for the year	\$789,760	\$712,127	✓ \$77,634
<b>TOTAL RECEIPTS YTD:</b>	<u>\$3,430,470</u>	<u>\$3,217,051</u>	✓ \$213,419
<b>EXPENSES</b>			
<b>TOTAL OPERATING EXPENSES YTD:</b>	\$1,866,812	\$2,386,234	✓ -\$519,422

YTD, we are ✓ **\$1,563,658** **under** budget on regularly budgeted items.

<b>Utilities:</b>	\$629,170	\$929,106	✓ -\$299,936
<b>Contracts:</b>	\$603,278	\$750,665	✓ -\$147,387
<b>Building Maintenance:</b>	\$225,125	\$72,915	X \$152,210
<b>Administration:</b>	\$6,732	\$24,293	✓ -\$17,561
<b>Professional Services:</b>	\$87,170	\$66,262	X \$20,908
<b>Payroll and Benefits:</b>	\$346,779	\$234,996	X \$111,783
<b>Other Expenses:</b>	\$68,559	\$307,997	✓ -\$239,438

<b>Capital Expenditures YTD:</b>	\$534,335	\$7,726,298	✓ -\$7,191,963
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--Mo Schreiber, Treasurer

### 3 Board Action Team Reports:

#### Agent Relations Team



No report this month. A preliminary meeting will take place at some point later in June.

*--Bob Newell, President and Team Lead*

#### Budget Team



Next Meeting will be on June 13, 2023.

*--Mo Schreiber, Treasurer and Team Lead*

## Elevator Team



Seven bids were received and evaluated. Three bidders submitted "Best and Final Offers" and these have been evaluated. We expect to be able to recommend a vendor at the June Board meeting. Further negotiations with that vendor will then take place to ensure that the scope of work is completely defined, the schedules are set, and everything is in place. This could take a few weeks, after which the Board will sign off on the final contract.

Once this happens, fabrication and mobilization begin. This can take a half a year or so. The actual on-site work will begin after that, and we've asked the vendors to put on enough staff to work on one elevator in each tower at a time, in order to get the job done as quickly as possible consistent with quality work.

*---Bob Newell, President and Team Lead*

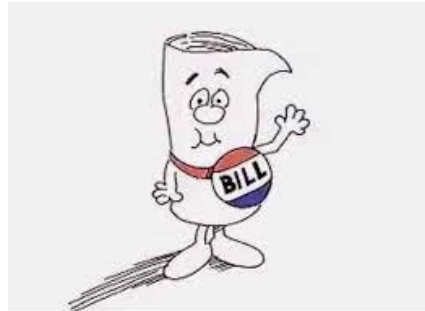
## Energy Conservation Team



The Energy Conservation Team is preparing for Board discussion of a Solar Panel electrical generation program with the potential to save significant amounts of money.

*--Brett Hulme, Vice President and Energy Team Lead*

## Legislative Team



It was another fairly quiet month for new City and County bills affecting TVUs after the deluge of bills in March. The calm before the storm?

Bill 9(22)

As you will read below, Bill 9, the Vacant Home Tax which would impose onerous taxes on non-STR residences not occupied half the year by Hawaiian residents and was thought to have died, is still very much alive and kicking. As drafted, Bill 9 was intended to encourage existing owners to sell or rent vacant housing stock for use as

homes for local residents. It also came with stiff penalties for violators; a civil fine of up to \$25,000 per day, per offense, and the ability for the city to foreclose on residential property if taxes or fines go unpaid.

Honolulu Civil Beat reported on May 19 that "*Honolulu officials are considering ways to boost city income and expand the pool of rental housing by raising the property taxes on homes that have been left vacant by their owners...*

*City officials are preparing a request for proposals for a study that would examine why so many houses are vacant, whether and how to implement a special tax on them and how much it would cost officials to enforce it...*

*Council member Esther Kia'aina also had strong words for some investors, who she said use Hawaii as their "playground."*

A vacant home tax has already been implemented in other cities, including in Vancouver, BC, Canada, where I live for half of the year. Every year, we must submit a form declaring



that our home is used either as our principal residence or is rented out for at least six months per year or else we are subject to a 3% surcharge on our property taxes. The declaration with a unique ID code is sent by postal mail only so one must be able to receive mail at the residence in order to file the declaration. This could affect some of our offshore owners so we will be watching this one.

#### PIG Public Meeting

On May 16/23 the unfortunately named PIG (Permitted Interaction Group) held a 2 1/2-hour town hall meeting to get input from the public around issues relating to real property taxation (property tax) such as long-term rental classifications, exemptions and other issues. There was a very strong push for a Vacant Home Tax (Bill 9) from all sides, both the public testifiers and the PIG members, especially Esther Kia'Aina who is really pushing Bill 9. Her focus is on bringing in more revenue-producing tax measures (there are currently 30 proposed bills relating to real property taxation) and has set her sights squarely on non-resident owners and "outside investors who use Hawaii as their playground". Remember the recent 3% OTAT and the proposed 25% TAT increase for STRs under House Bill 820? It is clear they will be going after offshore or non-resident owners in every way possible to generate more tax revenue without burdening the local residents, who are also happen to be the ones who vote for them (or not).

#### Bill 10(22)

This is the huge, all-encompassing bill that relates to how land is used, including for TVUs. The original deadline for Council action on CD1 was May 27/23 but at the May 4/23 Planning and the Economy Committee meeting, DPP was granted a 250-day extension to Feb 1, 2024. There have been a lot of revisions but so far, few seem to affect us.

One proposed amendment to the minor and major hotel section requires that rooms must be available for transient accommodation for a minimum of 275 days per year. But they have also amended the definition of "hotel" to exclude TVUs, bed and breakfast homes, and timeshare units so as of now, this minimum does not apply to us. The next meeting is May 25th so we will continue to watch the progress but as of now, our carve out remains intact on all of the new versions being discussed.

#### Bill 54(22)

This is one of the land use bills addressing TVUs that has been severed from Bill 10 above and the purpose is to "expand the areas...where bed and breakfast homes and transient vacation units are permitted". It was introduced to address the areas around Ko Olina and on May 4, it passed third reading as CD1 with our carve out intact.

## House/Senate Bills

On May 4, the Hawaii Legislature's 2023 session came to a close and none of the proposed bills affecting short term rentals were passed. Good news for us, but there is no doubt that they will still have their sights firmly set on us come January, 2024 so we must remain vigilant. Which leads us to repeat the following reminder:

Reminder:

While Ord. 22-07 (formerly Bill 41) granted owners at the Waikiki Banyan the right to rent their units as TVUs for less than 30 days, owners are still required to register their unit(s) as a Short-Term Rental Unit with DPP and may not rent their units for periods of less than 30 days until they receive conditional approval and a STR Permit Number. DPP is actively sending out Notices of Violation to non-registered STR owners and we urge you to register your unit to be in compliance with the law and our own Waikiki Banyan Bylaws, House Rules, and Declaration. We do not want to give DPP any reason to focus their attention on us here at the Banyan. We have provided much of the information you will need to register on our Waikiki Banyan website under the Short-Term Rental tab for your convenience.

*--Cathy Panizzi, Secretary and Team Lead*

## Newsletter Team



Feedback! I heard some great recommendations for some Lifestyle articles that I will try to incorporate in the upcoming months. Thank you for taking the time to read the newsletter, and we always welcome your comments and interest. Also, thanks to the brave owners who came up to me with suggestions and changes, I will keep them in mind as we move forward.

If you have a story or article to submit, please send them to [info@waikikibanyan.org](mailto:info@waikikibanyan.org) c/o Angie Lum. Deadlines for article submissions will be the 26<sup>th</sup> of each month for publication the following month. Please note that your articles may be edited or moved to another month for publication.

*--Angie Lum, Director and Coordinating Editor*

## Parking Team



The committee did not meet in May and we are waiting to hear back from our consultants for next steps. Once we have a consultant response/proposal, we will setup next committee meeting date & time.

Kuhio Avenue - New Bus Lane Update:

Mo Schreiber and Jack Johnson (GM) met via phone last week, Tuesday, May 23<sup>rd</sup> and discussed initial information & contact steps.

- Jack to contact our (WB's) main Honolulu building department contact for information.
  - Jack emailed and is waiting to hear back.
- Jack to reach out to other GM contacts along Kuhio Avenue.
  - Jack to reach out to the GM at Hilton next door.
- Mo to reach out via email to City at [completestreets@honolulu.gov](mailto:completestreets@honolulu.gov)
  - Mo emailed the City on Wednesday, May 24<sup>th</sup> and is waiting for a response.

*--Mo Schreiber, Treasurer and Team Lead*

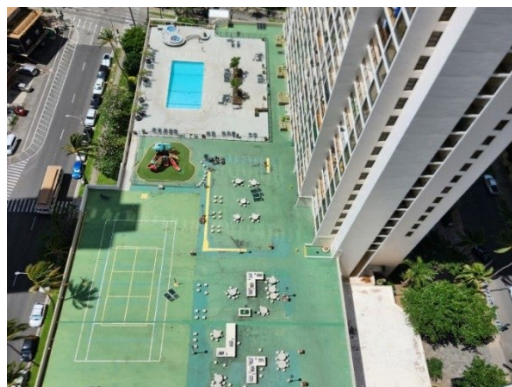
## Process Improvement Team



This is the first report for this team. Its purpose is to ensure that Board meetings are as efficient and effective as we can make them, and that they focus solely on what's best for our owners. The team has done a little email and will continue with a meeting later in June.

*--Bob Newell, President and Team Lead*

## Recreation Deck Committee



We had a productive Rec Deck meeting on May 16th. The outline below details what was discussed and action items are noted.

- Railing— Safety is priority which means no horizontal railing. We are requesting further information and more vendor options.
  - Action Steps: Arne will look into and provide.
- Snack Shack—Discussion to determine whether to paint, stain or take off wood frontage to match the theme of the new recreation deck. Tenant improvement

to be considered later.

- Action Step: AOA painted over the green, and checking the wood.
- Action Step: Renting the Snack Shack to be brought up to the Board
- Pool Image—Discussion and voted on the 12-dolphin design placement in the pool.
  - Action Step: Recheck if the cost is as quoted.
- Playground—Budgeted for cost increases
- A discussion was started about wind barriers.

Good News: DPP has approved the permits for the 6<sup>th</sup> floor bathrooms and locker rooms. It will now go out for bidding and then be presented to the Board. We are working to have this project start by the end of this year or as soon as a bid is approved by the Board.

When the construction starts, the recreation deck project will be broken into two phases. Phase one will start from Tower 2 working towards the pool fence. Phase two will be the pool and surrounding area.

As mentioned before, there are many moving parts to this grand project. We are working diligently to secure the structural integrity of the building and have the recreation deck be an active inviting environment for all.

*--Linda Sahara, Chair; Mo Schreiber, Treasurer and Subcommittee Chair; Brett Hulme, VP and Subcommittee*

## Security Team



There is nothing to report for the Security team as we are still waiting for estimates from various consultants that Jack and Arne are spearheading.

*--Brett Hulme, Vice President and Security Team Lead*

## Votes/Proxy Team:



We received quite a few questions and comments on what might or might not happen if we reduce the Quorum requirement. Here are some answers.

- Is the reduction of quorum only used for annual meeting purposes?

The reduction in quorum would be used for any membership meeting of the Association. While the Annual meeting is traditionally the only membership meeting held for many associations, other membership meetings may be called for purposes other than the annual meeting.

- What can be voted on at the Annual Board Meeting?

The primary purpose of the Annual meeting is to elect the Directors, and only a quorum present in person or by proxy is required for this purpose. Other items that can be voted on are typically amendments to the governing documents.

- Will the “67% of all owners needed to vote for bylaw changes” stay in effect if we lower the quorum?

Yes, as the 67% requirement is per State Law. However, there may be exceptions specifically stated in our governing documents. One such exception is it requires at least 75% of the owners to approve for the Association to be self-managed (not contract with a managing agent).

Please send any additional questions to [info@waikikibanyan.org](mailto:info@waikikibanyan.org), c/o Votes/Proxy Team. We will address in future reports if time warrants or send you a direct answer if urgent. If you have not sent in your quorum change vote, or know of someone who hasn't sent in theirs, please, we encourage you to do so.

*--Valaree Albertson, Director and Team Lead, and Angie Lum, Director*

## 4 GM's Report



### Project Support/Maintenance - **Completed and in Progress**

#### In Progress/ Ongoing Maintenance Projects:

Lanai Spalling Repair: The next round of lanai spalling repairs have been approved by the Board of Directors. Below are the upcoming units for repairs:

May 30 through June 2

- Tower 1: Units 1901, 1905, 2006, and 2013

June 5 through June 9

- Tower 1: Units 1704, 1709, 1808, 1802, and 1809

Elevator Modernization: Received 3 best and final proposals from the top 3 vendors, and will be submitting them to the Board of Directors for selection at June 2023 Board Meeting.

Transformer Replacement Tower (1) – Floors 33 and 35: Replacements are scheduled for July 3 through July 10. The AOAO will be sending the floor outage plan the week of June 1<sup>st</sup>.

Lanai Spalling Inspections – 355 lanais have been inspected, 40% complete, 114 lanais with spalling, 241 lanais without spalling issues. 44% of units have spall issues.

Yearly Elevator Inspections: Inspection request accepted, waiting on being assigned an inspector. Emailed about this inquiry on 13 December 2022, again on 24 January 2023 and on 21 March 2023.

Painting Perimeter Chain and Posts: In progress and 80% completed, there is a long lead time for paint.

Painting and Cleaning Perimeter of Building: In progress and ongoing.

Painting and Cleaning the Parking Garage: Cleaned and painted the yellow traffic lines in the garage.

Laundry Room Tile replacement: Material has been received and scheduling with the vendor for tile install.

2nd Porte Cochere Column Repair – Received the proposal from vendor to remanufacture new pillar planks that have termite damage. The proposal has been approved by the Board of Directors and check has been sent to vendor. Once pillar planks are manufactured, the AOA will schedule the install.

Rooftop conduit Bracket Support Replacement – Material received and installation is in progress and is 90% complete.

Started Replacing Chicago Cartridges for Quarterly Maintenance – 22 cartridges have been replaced and continuing with the installations.

Projects under review with DPP with no changes/Projects with no changes:

Recreation Deck: (rec deck structural study, surface review, design/drawing, documentation, permitting and SOW). Restrooms project and Deck/Garage project have been submitted to DPP. Project team is working on Project Manual and specifications as we wait for comments from DPP.

Recreation Deck Pool Design Build: The preliminary pool design drawings have been received.

Recreation Deck Replacement of Tennis Court Fence: - This is still pending permitting process and quotes have been submitted to obtain permits for this “barricade” fencing to meeting DPP emergency repair permit requirements. Replacement of Tennis Court Fence will be included in the rec-deck renovation.



**NOTE:** With **NO** fencing on the Rec Dec – we are unable to allow any type of playing that includes a ball (soccer/tossing, kicking, playing with balls or any flying object in this area for safety reasons). Thank you in advance for complying with security when stopped for these types of activities.

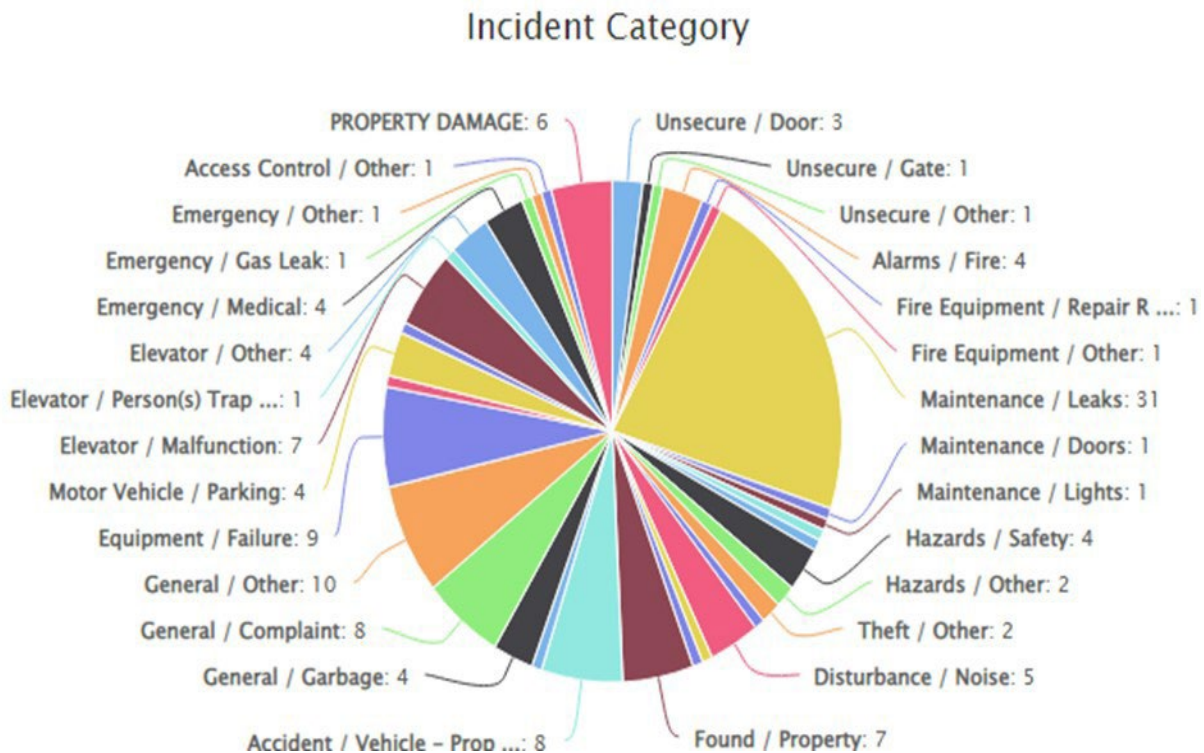
Recreation Deck Playground Equipment: Vendor selected for the design and construction of the new play equipment, Contract has been signed and executed. Rec-Deck Committee has selected color and model.

Storm Drain Replacement / Perma-line repair: Board of Directors approved the proposal to proceed to design and permitting. The design phase is complete.

Fire Pump Replacement: Vendor has been selected for the design and permitting, once design and permitting is complete the project will go out for BID.

Bike Rack storage areas - Notice of Violation: The last item left to correct for the Notice of Violation is to move the surfboard racks from A-1 parking area to the new bike storage area and we are waiting for permits to process.

## Security Incidents



## Administration:

LANAI INSPECTIONS: There are still many units to inspect. It is important to have the AOAO check your lanai for spalling issues. It takes around 10 to 15 minutes to check your lanai for spalling cracks. If there are spalling issues, they should be addressed, and the safety of your guests is priority. Please contact [info@waikikibanyan.org](mailto:info@waikikibanyan.org) to schedule your lanai inspection.

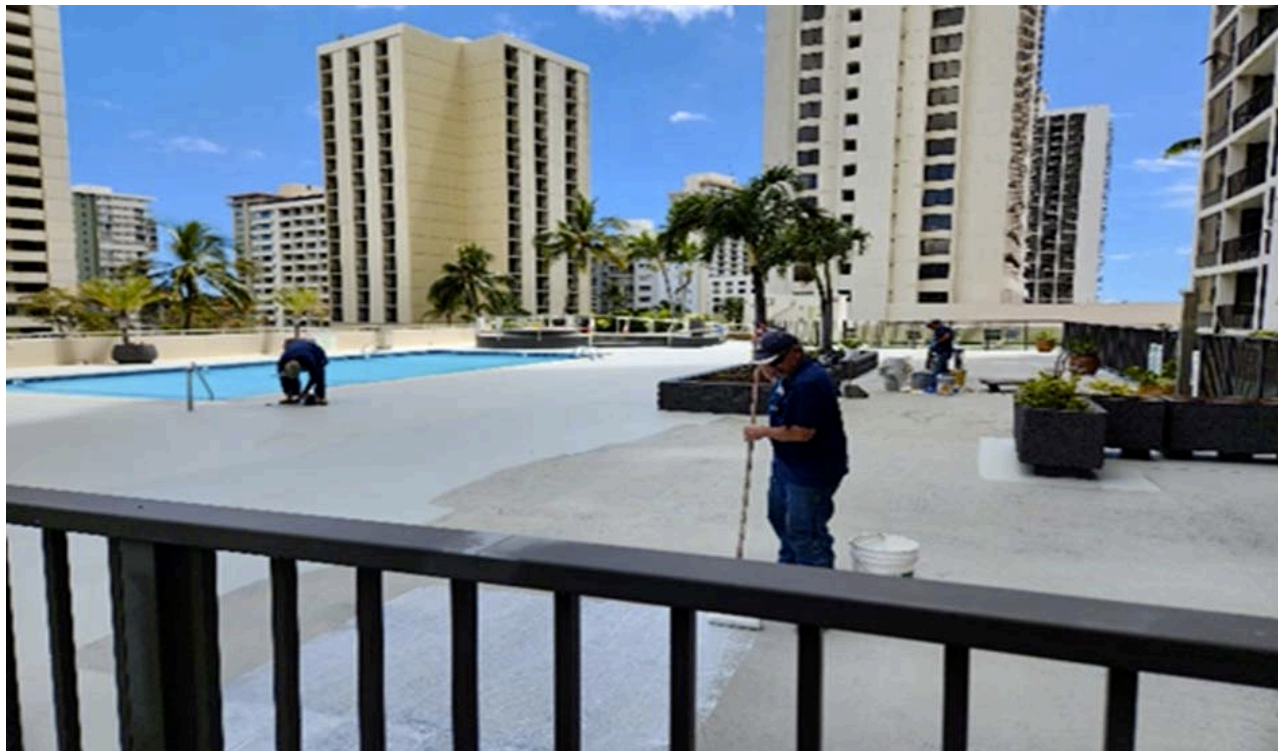
## General Managers Corner

### Annual Pool Maintenance:













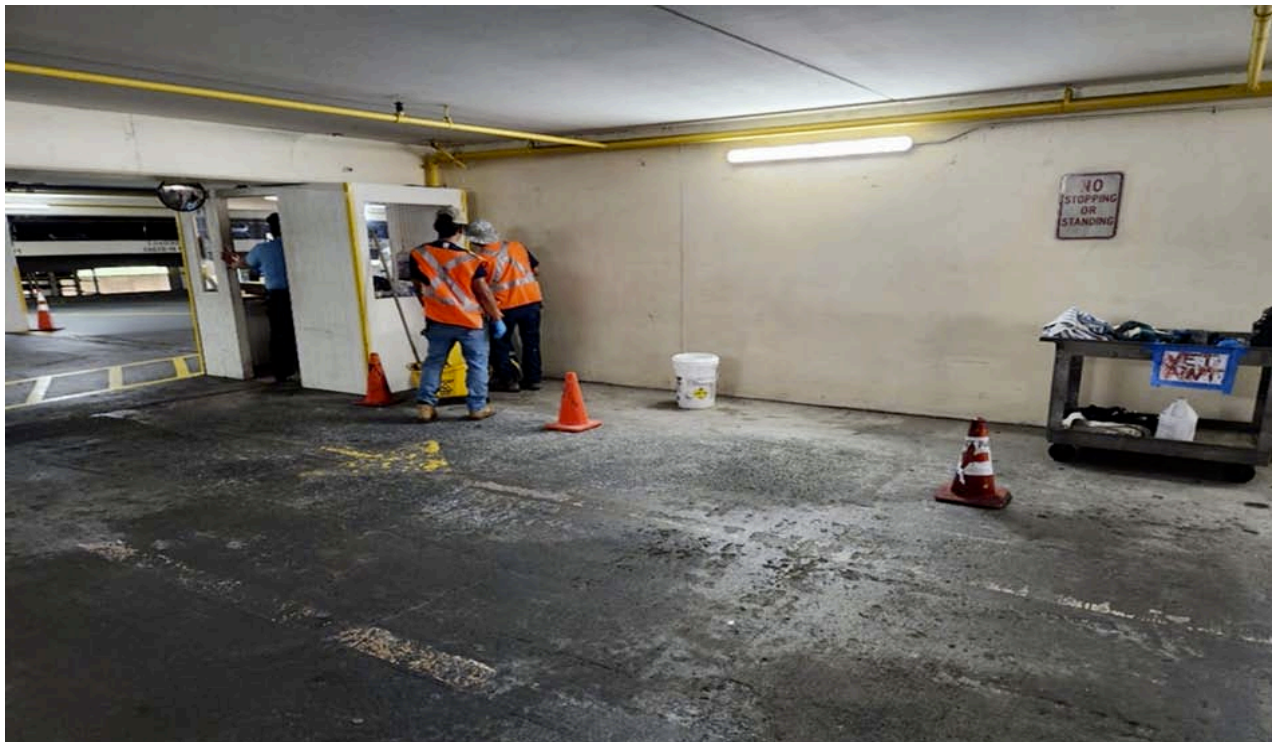
Repainting Stairwell (4) Awning and Walls



Repainting Awning by Smoking Area:



Repainting the Garage Exit:







*--Jack Johnson, General Manager*

## 5 Hawaii's Box Jellyfish



Hawaii's Box Jellyfish can deliver a painful and serious sting. Their tentacles are lined with stinging cells used to capture prey. Each cell fires a toxin-dosed barb that can penetrate the skin, which causes the stinging sensation.

If you are stung, experts recommend rinsing the area with salt water before pouring vinegar on the sting to deactivate any of the remaining toxin—pouring freshwater or putting sand on the cells may only irritate live cells and cause inactivated barbs to dig in. Lifeguards posted on many Hawaii beaches will have vinegar or a similar remedy on hand.

You can predict when they'll appear by learning about their mating habits. Box jellyfish reproduce under certain lunar and tidal conditions. They will mate beyond the reefs at night a few days after the full moon, but appear inshore after nighttime high tides recede, leaving them trapped along the beach. Beachgoers can expect influxes of jellyfish on Hawaii's south facing beaches about eight to ten days following the full moon. Refer to a Box Jellyfish calendar.

*--Randy Warner, Owner*

## 6 Did you Know? EV Chargers



I remember hearing that we had EV chargers at the Waikiki Banyan, and since I did not have an electrical car, it was in one ear and out the other. So, on vague recollection that they were on the 4<sup>th</sup> floor, I set off to find them one beautiful morning at the Banyan.

Bingo! If you head up the ramp to the 4<sup>th</sup> floor on the Tower 1 side of the building you will find 2 EV chargers tucked in the corner along the far side of the building on the Paoakalani Avenue side.

There is a 3-hour charging time limit, please be mindful of your fellow EV users and move your car into a parking space when that time is up. Usage and payment instructions are clearly posted on the wall next to the chargers.

Let me know when you see me that you've found them too!

--Angie Lum, Director

## 7 Editor Notes



I was struggling with what I wanted to write this month. There has been so much going on and if you've noticed, this year's theme for the Board continues to be communication and transparency. I truly believe that we've made such big strides in trying to do that.

The formation of the committees, past and present are just steps in keeping the Board open to suggestions, comments, and constructive criticism. The committee/team reports will keep us focused on getting information out to our owners. Our teams and committees work hard at coming up viable solutions to the projects that they are working on, and as we make our suggestions and comments, please keep in mind that they have been thinking, talking and maybe already arguing about the results that they need to convey back to the owners and the Board, so let's be mindful of how we pose the suggestions and comments. If you still have a concern or a question, please pose those questions, it just means that we may not have communicated enough or effectively, and then allow us the grace and opportunity to remedy that. If you have a solution burning in your mind, all committee meetings are open to owners, and owner volunteers with expertise are welcome except for when confidential information will be discussed.

Speaking of "grace" and kudos, let's give the AOA office team a big "high five" for all the hard work that they do in keeping the building running as smoothly as possible. They are currently down a person, as Angela T has left to go back home, so give the office some time to get back to you if it is not an emergency. Go by the office and tell them what a good job they are all doing. They are dealing with 876+ units of people and trying to keep track of all the coming and goings of the staffing that is doing the cleaning, the maintaining of the buildings and landscaping. And last, it is no easy task to keep the communication the owners of upcoming closures and problems. Thank you, Jack and AOA office for all that you do on a daily basis.

Together, we can make the Waikiki Banyan a beautiful place in which to rest our weary selves.

*--Angie Lum, Director, Coordinating Editor*

*\*Please note all opinions are the opinion of the Editor, and not necessarily the opinion of the Board.*

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