

Newtown Estates Community Association
BUDGET AND FINANCE COMMITTEE MINUTES
Tuesday, January 27,2009

1...Call to Order

The meeting was called to order by Chairperson, Shizuko Hanaumi, at 7:04p.m.

2. Roll Call:

Present: Shizuko Hanaumi(Chairperson), Donald Devaney (President), Richard Yamasaki (General Manager), Janice Fukuda, George Aoki, Anne Lopez, Ellen Yogi, Diane Kazama(Director)

Guest: Peggy Sugimoto(CPA)

Absent: Sun Chong(Vice-Chairperson), Michael Dwyer, Thomas Kusatsu

3. Unfinished Business:

3.1. Sept., Oct.,Nov. ledgers could not be approved due to other pressing issues and lack of bank reconciliations

3.2. Alphetland

- a. On Jan. 19, 2009 letter sent to Arizalas informing them of agreement for renewal date of lease agreement, request for gross receipts for calendar year 2008, and possible audit.
- b. Sue Savio, NECA insurance agent, contacted and gave Anne input to be included into new lease agreement
- c. Peggy reported Alphetland should be paying 4.5% gross excise tax, need for compliance if there is a shortage
- d. Richard reported findings of two electric meters: AC and lights, will calculate cost per kilowatt hour from May, 2008 to Jan.,2009
- e. Need for Alphetland security deposit of \$3900(8-31-'07) to be increased in new lease agreement.
- f. Reference made to Alphetland financials for 2006-2007 by Peggy
- g. **Recommendation:** To hire contract lawyer, Ms. Valerie Kato, from Ning Lilly Attorneys at Law A Corporation, to assist NECA in reviewing the new five year lease agreement with Alphetland. Cost: \$230 - \$245 per hour, and require no more than 10 hours of work time. Motion by Janice Fukuda, seconded by Ellen Yogi
- h. Recommendation: To hire NECA auditor, Gregory Ushijima, to audit Alphetland gross receipts for calendar year, 2008 was deferred.
- i. Tasks for Committee: identify the issues, year-end tasks (Richard), strategy, Improvements, identify other sources of revenues, if any

4. New Business

4.1. General Manager's Report: Richard Yamasaki

- a. Two bids submitted for resurfacing of Basketball Court Area
(1). Pacific Recreation Co. bid: \$27,327.00

- (2) Specialty Surfacing bid: \$16,980 (recommended by Bldg. And Grounds Com.)
- (3) B and F Committee needed warranty info on Pacific Recreation Co. resurfacing material.
- b. Two bids submitted for Replacement of Basketball backboards, rims, and Safety pads
 - (1) Pacific Recreation Co. bid \$9,265.00(recommended by Bldg. & Grounds Committee)
 - (2) IPR, Inc. bid: \$11,500.00
 - (3) **Recommendation:** To hire Pacific Recreation Co.to replace the basketball backboards, rims, and safety pads at a cost of \$9,265.00. Approved by consensus.
- c. Waiting on two more bids for termite repair of party room storage area
- d. Three bids submitted for replacement of Pool Deck Storage Room Doors and Frame
 - (1) R.K.Oshiro bid: \$26,659.68
 - (2) J & D Builders bid: \$26,500.00
 - (3) West Steel Co. bid: \$23,575.00 (recommended by Building and Grounds Committee)
 - (4) **Recommendation:** To hire West Steel Co. to replace the Pool Deck Storage Room Doors and Frame at a cost of \$23,575.00. Approved by consensus.
- e. Two bids submitted for Fire and Security Alarm system
 - (1) Alert Alarm: bid:\$4800 for wireless smoke detectors, however, must be hard-wired
 - (2) Sonitrol Bid: 23,114.00 for a new system, \$160 per month to monitor
 - (3) No decision, more information needed from other bids.
- f. Re-coating of exterior walkways: low priority, not safety issue, no action
- g. Committee recommended need for reserve study and a list for next meeting
- h. Suggestions for selections of bids: Require the following
 - (1) Is business licensed and bonded
 - (2) Is company charged with any violations
 - (3) What is the present condition of the area being considered for repair
 - (4) Reserve study of item being replaced (age, How long was it supposed to last?)
- i. Engagement letter signed by Gregory Ushijima, auditor, on Jan. 19,2009 to begin Audit for FY 2008

4.2 Hawaiiiana Management Company

- a. **Recommendation:** To give Hawaiiiana Management Company authorization to move excess funds from NECA's operating account currently at Central Pacific Bank to FDIC-insured liquid accounts to invest and obtain higher interest rates from higher paying financial institutions. Motion by Janice Fukuda, seconded by Ellen Yogi
- b. **Recommendation:** To have copies of NECA Smith Barney statements provided to Hawaiiiana Management Company in order to properly maintain

NECA's general ledger, with the understanding that Hawaiiana will not have authorization to move any funds from Smith Barney without prior authorization from NECA's Board of Directors (Letter prepared from NECA to Smith Barney, with cc to Hawaiiana Management Co.) Motion by George Aoki, seconded by Anne Lopez

4.3 Smith Barney:

- a. On 1-29-'09 a \$95,000 CD (Marshall & Ilsley Bank – WI having a 5% interest rate will be called back, maturity date: 10-29-'15)
- b. December 30, 2008 statement presented in Treasurer's Report
- c. Recommendation to send Smith Barney statements to Hawaiiana (4.2b)
- d. **Recommendation:** To move \$35,000 from Smith Barney's Money Market Account to NECA's operating account at Hawaiiana Management Company's(CPB account) to cover replacement costs for basketball baseboards, rims and safety pads, (\$9,265.00 cost of Pacific Recreation Company) and replacement of pool deck storage doors and frame (\$23,575.00 cost of West Steel Company). Motion by George Aoki, seconded by Anne Lopez.(Letter will be prepared from NECA to Smith Barney with cc to Hawaiiana.)

4.4 NECA Bank Accounts

- a. Richard said he will close the payroll account and money market account at CPB.

4.5. Treasurer's Report: see attached

5. Next Meeting: Feb. 24, 2009 at 7:00p.m. (Last Tuesday of the month)

6. Adjournment: Meeting Adjourned at 9:30p.m.

Submitted By:

Shizuko Hanaumi