



Royal Kuhio Reporter

November 2008

Ann Shaver, Editor and President

At the October Board Meeting

The regularly scheduled October 23, 2008, Board meeting was an especially solemn affair. Before turning to consideration of our serious financial situation, as always directors reviewed our resident manager's periodic report. Quick and knowledgeable action by our manager and maintenance staff lessened the damage resulting from numerous water leaks. Many of these leaks were caused by cracks in our aging cast-iron pipes. Similarly, our elevator controls are now antiquated, and the Board agreed to modernize the door-closing mechanism on the garage elevator. With only one elevator serving the parking levels, we did not want to take the chance of having it fail altogether. More extensive up-dating for all the elevators will be scheduled in the coming months. To cover our increased costs of water and electricity, the Board raised the prices charged in the laundry room.

The most difficult issue on the October agenda was the 2009 budget. Our managing agent, Nina Brunski, brought a projector and a computer with a sophisticated accounting program to show the effects of various income scenarios; To darken the meeting room sufficiently, our capable staff curtained off a corner of the conference room enabling Board members and interested owners to see the sad reality for themselves: a painful increase in our fees is unavoidable. As has been mentioned in the last several issues of this newsletter, our Association's fees for both water and electricity have shot up over the past several months. Indeed, at the July meeting, the Board considered an immediate increase in monthly maintenance fees to address higher utility costs, but we decided to defer action until the October Budget Meeting. Further financial shortfall happened because spalling repairs to the common elements were more extensive, more expensive than had been anticipated. The 2009 budget does not skimp on repairs and preventive maintenance, but it is still a rather "bare-bones" document. Indeed, we have continued deferring several discretionary projects such as renovating the lobby, replacing residential hallway carpeting or installing more modern tile on the deck and elevator lobby of the 7th floor.

Even this austere budget requires both a 5% increase in monthly maintenance fees and a substantial special assessment, payable monthly. With the assistance of the computer program, the Board considered various alternatives and studied the effects of differing levels of monthly fees and/or special assessments. After spirited discussion, we reluctantly agreed that this was the most prudent plan. The Board is required by law to develop reasonable budgets that include putting aside money for anticipated repairs and replacements (formally known as contributions to reserve funds). And remember, Board members come from all categories of owners. The Board consists of owner occupants, time-share members, owners of all sizes of apartments, individual investors and representatives of resort operators but we are all charged with representing the welfare of the entire Association, not looking out for our own narrow interests. We realize that this increase in costs comes at a time when the overall economy is suffering and rental income is likely to contract. The fee increase is equally painful for all of us, but as Board members, we could not shirk our fiduciary duties.

The official notification from Hawaiiana Management of the new fee schedule is enclosed in this mailing. That letter will detail the amounts owed for each size apartment.

Façade Repairs

We have now completed the spalling repairs to the entire building. The damage to the vertical faces, a common element, was more extensive than anticipated but all spalls have been satisfactorily repaired. Repairs were also made to the parking deck, the basement and the “eyebrow” below the eighth-floor lanais. The waterproofing and top-coating of the residential lanais is also complete. Now all that remains is to repaint the exterior. EKO painting has already begun working; please check the bulletin board inside the elevator lobby to see when work is scheduled for your particular stack. The schedule is subject to change, of course.

A committee, chaired by Hanako Hata, considered many different “looks” with a variety of colors and accents. After looking at literally thousands of colors, she and committee member Gary Yoshimi selected a few combinations and requested that test swatches be painted on the wall near the exercise room. This was a wise strategy because the colors that looked good on paper didn’t look so good on the wall. After much discussion, the Board finally agreed that the present color scheme was attractive and distinctive and would continue to project the image of a modern, well-maintained resort condominium.

Once again, the Board, the tradesmen and our building staff appreciate the fine cooperation from all owners and residents during the lengthy and disruptive process. The process wasn’t fun for anyone, but it was essential to maintaining the structural integrity of our beloved building.

Lanai Protection

In the past several months, most owners have received bills for the repair and resurfacing of the lanais. We’ve all learned that wonderful surfaces such as tile and carpeting trap moisture and hasten the deterioration the concrete. Unfortunately a major source of damaging moisture is the condensation from the window air conditioners. There isn’t a very happy solution to this problem, unfortunately. It is important to make sure that the water expelled from the a/c units doesn’t pool on the lanai (leading to problems for *you*) or run off the lanai and down the side of the building (damaging common elements). Please be sure to place a large pan under the a/c to collect the water. And please remember to empty the pan frequently so it doesn’t act like a bird bath, attracting our feathered friends.

The Birds!



The common pigeon is not one of Hawaii’s endangered species! They aren’t charming on our beaches and they aren’t charming perched on our lanais or refreshing themselves in the condensation pans under the air conditioners. Roosting birds are unsightly, unhealthy and harmful to our building, particularly in the high-rise portion. The Association will be installing protective netting across the ledges at the ends of the hallways and between lanais on the high-rise portion of the building. These are common elements, and they have proven to be particularly cozy roosting spots.

Many owners have taken steps to make their lanais less hospitable to the birds. Some people report success from inflatable or plastic owls. This is a natural, low-impact solution, but it usually isn’t effective for long, if at all. Similarly, some people report great results from leaving an inflated beach ball on the lanai; the wind blows it around and the birds are scared. Unfortunately the wind also blows the balls away. Stretching a heavy-gauge fishing line atop the lanai rail is a good deterrent—until the birds learn to ignore it and aim a bit higher as they enter our private air space. When all else fails, stretching a net across the front of the lanai is an impenetrable barrier; this should be professionally installed, by the way. For more information on any of these solutions, please check with Lane Yandell, our resident manager.

Exercise Room



If you've seen our exercise room on the 7th floor recently and you've read the foregoing tale of woe about our austerity budget, you may be wondering how to reconcile the two. Well, we were just plain lucky. Bruce Howe, a senior management executive at Hawaiiana Management, has served as our recording secretary for many years in addition to his "day job" as managing agent for several Honolulu condominiums. One of his properties was upgrading its exercise room and looking to sell its existing equipment—at very favorable prices. Mr. Howe was gracious enough to remember the Royal Kuhio, and we acted quickly to take advantage of a really good offer.

Our good luck and fast action resulted in six pieces of Nautilus equipment. The exercise room now features a leg press, a rotary torso machine, equipment to strengthen the biceps and triceps and overhead equipment. With the new carpeting underneath all this, we truly have an exercise room that is a credit to our great recreation deck.

HO6 Insurance

Recent changes to Hawaiian condominium laws strengthen the ability of Associations to charge individual owners for damages covered by the Association's master liability policy. These payments drive up the cost of the Association's policy so it is in the AOA's interests not to file claims for things like water damage when an owner overflows a sink or tub. Now, Hawaiian insurance carriers are offering owners a low-cost policy, known as HO6, that will cover damages caused by owners or their tenants. Please check with your insurance agent for details. The Board urges all owners to add this to their coverage.

Conserving Electricity/ Reducing Our Expenses

For many years, the Board has taken steps to reduce our electric consumption. In September, for example our bill was \$69,663, significantly more than the \$36,000 budgeted based on rates a year ago, even though our usage has actually declined. Once again, the Board urges owners to be mindful of electric usage, and urge your tenants to turn off lights and fans and air conditioners when not in the apartment. Remember, if your light bulb burns out, you can exchange it for an energy-efficient model; just take the old one to the manager and he'll replace it with a compact fluorescent bulb.

We mention repeatedly that replacements are necessary throughout the building. That is equally true of items within our apartments such as refrigerators and dishwashers. Director Herb Loo reminds you that HECO has substantial rebates available for a variety of appliances with the "energy star" symbol.

Turning things off, using CFLs and buy more efficient appliances are micro issues. Director Bill Sweatt is focusing on the macro side, the fact that Royal Kuhio was built with only a single electric bill for the entire condominium. You and I may be very conservative in our usage, but we still pay for our wasteful or careless neighbors. Mr. Sweatt is investigating the possibilities for submeters so that the Association is billed only for electric use in common areas and each owner pays the bill for use in his own apartment.

By the way, many concerned owners have suggested from time to time that we could lower our utility bill by warming up the lobby a bit. Actually, there is a paradox here; with commercial air conditioning, lower temperatures generally save energy. As someone explained, large central a/c units need to chill the air to about 40 degrees or do in order to remove some of the humidity. The air is then heated back to the thermostat setting. If the thermostat setting is too high, more power is required to warm the chilled, dehumidified air. Moreover, our dumpsters are stored in the basement garage beneath the lobby, and warmer temperatures make odor control more difficult.

Water Conservation

As has been mentioned before, the water bills in Honolulu include sewer fees too, based directly on how much water comes into the building. So, there's a multiplier effect for wasted water. Plus, with the on-going drought and the increasing population on our small island, there's a moral component to being careful with water use.



Toilets are a major source of wasted water. If the toilet tank suddenly refills for no apparent reason, the flapper valve needs to be replaced. Fill valves, too, occasionally malfunction. Don't forget about dripping faucets—they are another cause of needless expense.

Fortunately, our building staff is knowledgeable in these areas. Although they cannot make repairs, they can tell you if your apartment needs some plumbing attention. In general, toilets need yearly maintenance. Many of the items are simple enough for you or your agent to repair or replace without calling a professional plumber. Other things, however, do require the services of a qualified plumber. For instance, the shut-off valves under the sinks and behind the toilet often “freeze” if they have not been used for a while. If yours do not turn easily, do not force them. After they are repaired, it is a good idea to “exercise” them every two or three months by turning them off and back on. When they are fully on, turn the valve a quarter turn back to the right.

Owner Judy Kuhnle joined the budget discussion at the October meeting and contributed many suggestions for reducing expenses. Among other things, she reminded owners that flow-restricting showerheads offer a double whammy at the Royal Kuhio; using less water lowers our sewer bill as well as our water bill.

Royal Kuhio Website



For up-to-date information about our building, remember to check our website. The URL is <http://www.royalkuhioaoao.org/> You will be asked to enter a password. The password is **wantaknow**.

Check the website from time to time. In addition to our version of “breaking news” the website will feature color pictures and additional details not included in the newsletter. For example, we will be featuring pictures of the Annual Meeting, including the wonderful door prizes.

Next Board Meeting

Remember, the next regularly scheduled meeting of the Board of Directors is Tuesday, March 10, 2009. Please join us at 10:30 a.m. if you can. As always, there will be a buffet lunch. The Annual Meeting will be held the next day. Registration for the Annual Meeting begins at 1 p.m. and the Annual Meeting commences at 1:30 p.m. Please plan to attend both these important meetings.