

CPH Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2017 7:39 AM
To: CPH Testimony
Cc: sswood@gmail.com
Subject: Submitted testimony for SB400 on Jan 31, 2017 09:00AM

SB400

Submitted on: 1/31/2017

Testimony for CPH on Jan 31, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Stephen	Plantation Town Apartments	Comments Only	No

Comments: To whom it may concern, My name is Stephen Wood, and I am the President of Plantation Town Apartments located in Waipahu. We have 330 units between two buildings and we are a very active board. After reviewing SB400, I can agree with the majority of the content. However, Section 3, paragraph C. states "Except in emergency situations, the board of directors shall not impose a special assessment for any fiscal year for capital expenditures or major maintenance, which in the aggregate exceeds five per cent of the budgeted gross expenses of the association for the current fiscal year without the approval of a majority of the members. For a special assessment that exceeds five per cent of the current fiscal year's budgeted gross reserves, the board shall obtain the approval of a majority of the members at a duly convened regular annual meeting or special meeting of the association or by the written consent of the majority of members without a meeting." I can empathize with the direction that the author wanted to take, but five per cent of budgeted gross expense is unduly restrictive. We had an assessment done by a third party auditor who assessed our parking lot reseal at around \$46,000 dollars. The actual price turned out to be double that even after reducing the scope and acquiring three bids. We would not have been able to do this if the board was tied to this proposal. I recommend that the five percent be removed and be replaced with 25% which is less restrictive but also maintains a limit on what the board can do.

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LATE

From: Richard Emery [mailto:Richard.Emery@associa.us]

Sent: Tuesday, January 31, 2017 11:21 AM

To: baker2 - Heath <baker2@capitol.hawaii.gov>

Subject: Testimony SB 400

My name is Richard Emery. I am a Real Estate Broker and 20-year industry veteran in association management, host of the weekly educational talk show "Condo insider", former management company president, member of the Hawaii Council of Community Associations, and the Community Associations Institute Legislative Action Committee.

I OPPOSE SB 400 for several reasons as follows:

- As an industry veteran it is impossible to obtain an 80% approval on any matter by association owners. There is a natural reluctance by owners to participate in their association no matter the issue. If this is an issue, I suggest the threshold be reduced to 67%.
- Boards have a duty to maintain the property. The property is also collateral to mortgages. Since 2008 Lenders have been more concerned about an association's maintaining the property. Owners are typically emotional solely about money and ignore the other obligations; often at the detriment to the association or other owners. Boards are elected volunteers that need the ability to act to protect the association. Such concepts will have serious adverse circumstances to the property.

Thus I OPPOSE SB 400.