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## THE FUTURE of Building Management

Phyllis Kacher (seated), a condo management pioneer, says Associa is the company of the future, thanks to leaders such as (from left) Jonathan Mosqueda, Bobbie Favela, Irene Ramiro, Sasha Tsuda, Tiffany Rieta and Kristina DiFazio

Photo by Nathalie Walker



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## HAWAIIAN PROPERTIES ANNOUNCES THE PROMOTION OF CHRISTY HINDS TO ASSISTANT VICE PRESIDENT, KONA BRANCH

Christy has 12 years in the association management industry. She has earned her PCAM® (Professional Community Association Manager) designation and is also a licensed Realtor. Christy has managed a varied portfolio of properties including developer accounts, townhome, community associations, traditional condominium associations and commercial complexes. She is highly organized, results oriented, and a problem solver. Prior to entering the association management industry, Christy owned two small businesses that provided her with an extensive background in business management, accounting and human resources.

“Christy’s promotion to Assistant Vice President is well-deserved as Christy plays an integral role in our Kona operations and sets the bar for exemplary customer service standards,” said Kathy Cooley, Vice President of Hawaiian Properties’ Kona office. “Christy is well-respected within the industry and a highly valued member of our Hawaiian Properties team. She will continue to help us expand our portfolio and deliver excellent service to our clients.”

## 2019 FREE ANNUAL SEMINAR FOR BOARD OF DIRECTORS

Hawaiian Properties held its annual seminar for Board of Directors on August 9 at the Ala Moana Hotel. The seminar included a Legislative Update Forum with John Morris, Ekimoto & Morris, Christian Porter, Porter McGuire Kiakona & Chow, LLP, and Carole Richelieu, Senior Condominium Specialist, Real Estate Branch, Department of Commerce and Consumer Affairs.

Julie Adamen, Adamen, Inc, was the featured guest speaker who provided a dynamic presentation on “The Essential Skills of an Effective Board of Directors.” The event had 22 vendor sponsors situated throughout the room who gave away generous prizes, such as an iPad, Hawaiian Airlines gift certificate, Bluetooth speaker, gift cards and cash, and helped to educate the board members.

The attendees were treated to a delicious buffet lunch and were given a special gift.



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About the Cover: Phyllis Kacher of Associa Hawaii



# Hawaiiana Finishes Strong in the Third Quarter of 2019

Hawaiiana concluded the third quarter of 2019 with a strong finish, showing continued growth and strong client retention.

At Hawaiiana Management Company, we are grateful to have one of the best jobs in the world – serving our association management clients! 2019 continues to be a year of growth – not just in “numbers,” but in value added for our clients. Hawaiiana reached some important milestones in 2019 that we would like to share:

- Since the first of the year, Hawaiiana has added 42 new clients on four islands, translating to nearly 6,000 homes. Included are 16 new developments, and five associations returning to Hawaiiana from other management companies.
- We have welcomed ten new management executives with especially impressive resumes and prior experience.
- On August 1, we opened our second Maui office

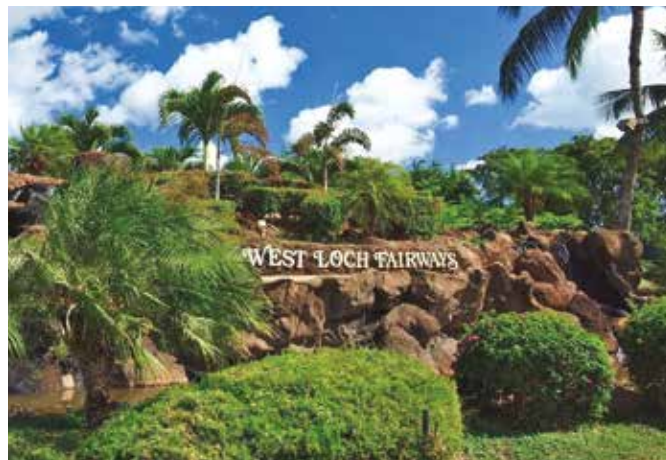
in Kahana to serve our West Maui clients! This is especially significant, considering over 30 of our “Valley Isle” clients are on the west side.

- Educational seminars for both board members and residential managers were presented on four islands, including three board seminars on three islands! Pertinent topics presented by top industry experts included insurance, legal matters, communication skills and more.

- We have added six knowledgeable Accounting Specialists to personally assist clients who have questions about their account. Our Accounting Specialists field approximately 360 calls per week!

- A new Hawaiiana website and app are coming during the fourth quarter.

We know that success is not measured by mere statistics, but by the value we are able to provide to those we serve. Hawaiiana



Hawaiiana welcomes new client West Loch Fairways Association, a community of 720 homes in Ewa Beach.



Royal Kahana, one of Hawaiiana's most recent clients, is located on Maui's west side. Hawaiiana recently opened a West Maui office to serve over 30 associations in the area.

## New Hawaiiana Clients Include:

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West Loch Fairways Association

\*Returning Hawaiiana client

is grateful for the opportunity to serve over 740 associations in Hawaii, translating to approximately 120,000 residences – all with a stellar client retention rate of 98.5%. As always, all of Hawaiiana's employees are in Hawaii, all banking takes place in Hawaii, and association management

is our only business. Our continuing mission is to serve our clients!

For more information on Hawaiiana's award-winning services, please contact: Mele Heresa, CCIM®, CPM® at meleh@hmcmtg.com or (808) 593-6827.



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- Associa Home Office - Industry's largest Community Management Company
- Great Place to Work Certification 2019 - Third Year in a Row
- President Pauli Wong, PCAM, RS is an honoree for the 2019 Pacific Business News Business Leadership Hawaii Awards & Human Resources Director Bridgette Devore, aPHR is honoree for the 2019 Pacific Business News Workplace Champion, Large Business Category



**Pauli Wong, President, and Bridgette DeVore, Director of Human Resources, at Associa Hawaii**

#### **FOR MORE INFORMATION ON ASSOCIA HAWAII'S AWARD-WINNING SERVICES CONTACT**

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Associa Hawaii's 21st annual Associa Cares & Friends of Shriners Golf Tournament was a huge success. With 160 golfers at the Hawaii Prince Golf Club we raised \$66,000 for the two organizations, exceeding last year's fundraising by \$11,000!



Associa Hawaii's Vision of Aloha Committee sorted and organized 7 palettes of food at the Hawaii Foodbank... a grand total of 3,600 pounds!

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# Here's to the Pioneers!

This issue of *BMH* is largely about pioneers. We cover lots of other topics, of course, but the theme here is pioneers, then and now.

building management. She, and many, many other women, certainly proved that's not so.

Among others who helped her

Marriott and Starwood, he joined the luxury Kakaako condominium Park Lane Ala Moana as general manager, continuing a pioneering trend of hos-

*"In the olden days, building managers were caretakers, superintendents, janitors, but now because of the amenities and the type of owners who are moving in, they want someone who is more of a concierge type of hotel GM."*

It starts with our cover subject, **Phyllis Kacher**, Associa's chief business development officer. She has been a pioneer in serving condominium managers and boards for more than 30 years, going back to a time when many regarded women as unfit to work in

career, Phyllis gives credit to **Aaron Chaney**, Hawaii's original pioneer in building management.

Which leads to a pioneer today, **Gerald Nakashima**, subject of this month's "Meet a Manager" feature. After 24 years in hotel management with

pitality veterans finding happy homes in condo management.

"That skill set works well with condominiums where the expectations are higher in the area of service," says Phyllis, a friend of Gerald's. "In the olden days, building managers were



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caretakers, superintendents, janitors, but now because of the amenities and the type of owners who are moving in, they want someone who is more of a concierge type of hotel GM. The skill set for the luxury buildings has changed drastically. It's really a wonderful opportunity. Thanks to people like **Duane Komine** and **Davie Felipe**, the bar has been set much higher."

This issue also includes another story in our ongoing series on aging-in-place in a condo. You could call **Debbie Morikawa** of GYMGUIYZ a sort of pioneer, too, as she is the first we've heard about who brings personal physical training to seniors in their condominiums.

*On another note, if you'd like to be included in our "BMH Asks" surveys of building managers—or to comment on our stories—please shoot me an email at [don@tradepublishing.com](mailto:don@tradepublishing.com).*



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# Trending Toward Hospitality

Gerald Nakashima of Park Lane is the latest hotel veteran to find a happy home in condo management

BY DON CHAPMAN

**A**s a student at UH-Manoa, Gerald Nakashima knew what he wanted to do in life. It did not include managing a condo. "I graduated from UH with a degree in Travel Industry Management, with an emphasis in hotel management," says Nakashima, who'd graduated from Our Redeemer Lutheran High School.

He would take that degree and spend 24 years in Hawaii's hotel industry, starting at the Sheraton Waikiki as a bell clerk, followed by stints at the Kapalua Bay Hotel, Waikiki Beach Marriott and Kauai Marriott Resort and Beach Club, where he was resort manager, in charge of the entire operation.

Then he heard from "a friend who said Park Lane was seeking a general manager. I was living on Kauai at the time and I wasn't sure what Park Lane was about. He gave me a website, I looked into it and thought, wow, that's interesting. So one thing led to the other."

Four interviews later, he was changing careers, continuing a recent hospitality-to-condo trend that is altering building management in Hawaii.

## Gerald Nakashima

**TITLE:** General Manager, Park Lane Ala Moana

### **YEARS IN PROPERTY MANAGEMENT:**

Park Lane opened in April 2017. I started a little over 10 months before opening. With the magnitude of this project, our developers wanted someone early on to extensively plan to open and operate the building. There was a lot of procurement, building relationships with vendors and finding qualified staff.

### **Q: Do you live on site?**

Yes, I reside on property. It is a requirement of my job and makes me available in the event of an emergency. If something needs atten-

tion or my staff needs support, I am only a phone call away. I am employed by the association and I work closely with Hawaiiana Management as our property management company.

### **Q: What's the biggest difference between managing a hotel and a condominium?**

Leading a community, you create and build lasting relationships, knowing you'll see residents each and every day. In a hotel, you have two days to two weeks to create a personal connection with a guest. They check out and you hope they will return in order to sustain that relationship. I love this business, because that relationship is constant and the residents are like an extension of your family.

### **Q: After 24 years in hotels, that was a big move.**

Many people in the hospitality industry don't believe there is life after hotels. I honestly thought I was going to live and die a hotelier. When I was introduced to this industry, it opened up my eyes. In my opinion, we are in the pioneering stage. This industry has been around for a long time, but we are pioneering it in the sense that the tide is turning where hospitality people are coming to some of the new buildings and providing a high level of service. In today's market, service is paramount. Other businesses such as supermarkets, banks and healthcare are placing a high focus on service. These are becoming service-sensitive fields and will only continue to be more competitive.

We infuse elements of hospitality into our building. Everyone is treated equally here at Park Lane—you're greeted upon arrival, we inquire if you need assistance and use emotional intelligence to help everyone to accomplish what they need while on property. Our main priority is focused on our residents, their guests and our team.

### **Q: What percentage of residents are owner-occupants?**

Approximately 55% of units are occupied all year round with summer-winter seasons increasing as high as 70%. It mirrors the hotel industry, summer and winter are your peak seasons.

### **Q: Do you have vacation rentals?**

No vacation rentals—there's a 30-day minimum short-term rental period. We utilize a vetting service that scans for listings on the Internet. As a second line of defense, every short-term rental must register with our office and take a photo for our property management system. If someone resides on-site and they don't register with our office after two requests, we disable their access-control devices.



The lobby of Park Lane Ala Moana

## Q: Can you please describe the building?

Our property encompasses seven buildings with a total of 219 units. The top six floors are residential and the bottom two floors belong to Ala Moana Center.

In each building you can have four to six units per floor. The largest unit is 6,200 square feet and the smallest approximately 850 square feet. We lie on 7.3 acres and we have a lot of ground to cover operationally. Most buildings have one rooftop, we have seven rooftops and our rooftops do not connect.

## Q: What about the staff?

I truly believe in order to operate a great building, it's the people behind it. You can have the best building in the world, but if you don't have the right people, there's no soul. The building has to have soul. When we hire great people to fill it, and they pass along their positive feelings to our

residents, the residents just want to stay here. That's a nice life cycle. That's why we do our very best to take care of our employees because we want our employees to take care of the residents, and we want the residents to stay. That's what we're building here at Park Lane. Our vision statement is, "Together we help craft your ideal lifestyle."

## Q: What do you look for in hiring Park Lane staff?

I call it innate talents and abilities—it needs to come from within. People are not automatically born with soft skills. They can learn it, you can coach them, but they have to want to immerse themselves and really embrace that culture. We have a great service culture here, equally balancing security and service. A lot of places enforce a lot of rules, they're the enforcers. We call ourselves the supporters. That's something we've shared in our staff orientation from day one. We don't want to enforce the house rules, we want to support them. It's a

softer approach. We don't have any serious infractions, but ultimately you need to have house rules in place.

## Q: What takes up most of your time?

Taking care of our residents, staff, equipment and common areas. Ensuring the building is taken care of with all of the above here occupy a great deal of my time. I do have a fulltime maintenance supervisor and he is my expert. But we work in tandem on a lot of things. Going on three years, we're still learning the building.

One of the things I love about this industry is that it is very similar to the hotel industry in that every single day is different, no two similar days ever. Some things are the same—you have administrative tasks and responsibilities, yet you are faced with different scenarios and situations on a daily basis that make you think, learn and grow.

*Continued on Page 54*



A portrait of Phyllis Okuda Kacher, a woman with shoulder-length brown hair, wearing a green sleeveless dress with lace-up detailing at the neckline. She is standing with her arms crossed in front of a glass door or window. The image is overlaid with a graphic design featuring yellow contour lines and numbers (300, 310, 320, 330, 340, 350, 360) on the left side, and the word 'PIONEER' in large yellow letters at the bottom.

Phyllis Okuda Kacher  
ASSOCIA HAWAII

# PIONEER WOMAN

PHOTOS BY NATHALIE WALKER

# Phyllis Kacher of Associa started in property management when many doubted women could do the job. She proved otherwise, and today is showing the way for a younger generation at 'the company of the future'

BY DON CHAPMAN

The two women weren't cheating on their husbands, but they did make up fake excuses for why they were going out on weekend mornings. This was back in the 1980s, and Phyllis Okuda Kacher and Bernie Briones were trying to break into the male-dominated world of building management.

"In those days, a lot of the clients and even co-workers were skeptical that a woman could do this job," says Kacher, who today is Associa's chief business development officer. "Clients would call the bosses at the management company and say they didn't want a woman on their account."

She saw just one way to change those minds.

"To me, you've got to work really hard in this business to survive," Kacher says. "You have to give 110%. When I was at Chaney Brooks, Bernie and I both used to work weekends and

holidays—our cars were the only ones in the garage. We didn't do it for show or to look good for the bosses, because nobody else was there. We even lied to our spouses about going to work because they thought we were such workaholics.

"But we just cared so much. Bernie used to tell her husband that she was going to go shopping, I'd tell my husband I was going to get my hair done, just so we could sneak to the office to work. Some people lie because they're cheating, but we lied to go to the office. I once had a developer ask if

I was part of ownership. They couldn't believe how hard I worked. I care so much about the client, you just want to do what's best for them and take pride in your work."

"It was a different world back then," says Briones, who today is Associa's senior director of management services. "We had to work harder."

Kacher knew hard work from an early age growing up in Olympia, Washington, where her parents, who had been interned during WWII, were oyster farmers.

"They were very poor," she says.

Still, she was able to graduate from the University of Puget Sound, studying English and business. Shortly after graduation, she moved to Hawaii

"I didn't know anybody here, I just chanced it," she says. "I figured it's the only chance in my life to go crazy. It was either San Francisco or Hawaii. I didn't really have any obligations. And it's worked out."

She took a restaurant job, but "got my real estate license as soon as I got here. I saw the importance of real estate here." Her first job in the industry was "doing rentals for Alpha Real Estate. Then Chaney Brooks offered me a job. Aaron Chaney was the pioneer, the founder of Aaron M. Chaney Inc. and then Chaney Brooks. That was the original condo management firm. Actually, the job was offered by my current husband Len. He offered me a job, and the first time I turned him down. But later he upped the ante a little bit and I took the job."

(Today, former Lt. Col. Len Kacher

*"I once had a developer ask if I was part of ownership. They couldn't believe how hard I worked. I care so much about the client, you just want to do what's best for them and take pride in your work."*



# The Future of Community Association Management

Phyllis Kacher isn't the only talented executive at Associa. Here are a few others who are helping lead the company into the future.

**Jonathan Mosqueda**, reserve specialist, AMS, CMCA, joined Associa Hawaii as community manager in 2018, bringing with him 11 years of successful condominium association management and reserve study preparation experience, as well as three national accreditations from the Community Associations Institute. Jonathan served as assistant vice president and team leader at Hawaiian Properties and community manager at Hawaii First Management Co. Properties of responsibility include One Waterfront Towers (306 units mixed-use), Century West (352 units) and assisted with reserve study preparation or annual reserve study updates for several large new luxury high-rise condominiums. He earned a bachelor's in business administration from UH-West Oahu.

**Tiffany Rieta** started her career with Associa Hawaii in 2011 as a scanning specialist. After six months, she was promoted to administrative assistant, assisting four community managers. Tiffany was able to develop numerous skills and knowledge which led her to becoming a community

manager in 2012. Tiffany has managed a variety of associations that include AOUO/AOAOs, community associations and new developments. She has overseen various projects including a complete building renovation and rebuild. Tiffany is presently a management services director and oversees seven community managers and manages two properties.

**Bobbie Favela**, CMCA, PCAM, RS, has been with Associa Hawaii since 2010. She has spent a large portion of her career in the real estate industry, starting her real estate career in 1996. She's worked in an administrative capacity at firms that handled commercial appraisals and commercial leasing and sales, and then started working with community associations in administering fee conversion bulk sales (converting a leasehold interest into fee simple interest) at Monarch Properties, where she was the director, fee conversion division. Thereafter, she landed a position at Sofos Realty, doing commercial leasing and management to include assisting in the management of three large commercial AOUOs on Oahu. She then pursued the community management industry and was hired by Certified Management in 2010, starting as a community

manager, and worked her way to a director role that she held for three and a half years.

**Irene Ramiro**, CMCA, has served the Hawaii property management industry for over 25 years. She has managed townhome properties ranging from 84 to 325 units, in addition to single-family homes and high-rise communities. Her portfolio has included management of a 2,500-unit master association that included maintenance planning oversight and also facilitating complex capital improvement projects. Prior to rejoining Associa Hawaii, Irene managed condominium and community association properties as well as the City and County of Honolulu and Housing of Urban Development (HUD) for Hawaiian Properties and Hawaiiana Management Co. With over 30 years working in the accounting field, Irene has also held the positions of assistant controller and controller of finance and accounting. Because of her diverse experience in the accounting field as well as her knowledge of effective managing community associations, Irene is currently leading Associa Hawaii's Select Property Group team.

**Kristina DiFazio** graduated from Virginia Commonwealth University in 2009 and shortly thereafter joined Wall



Phyllis Kacher (center), a condo management pioneer, says Associa is the company of the future, thanks to leaders such as (from left) Jonathan Mosqueda, Bobbie Favela, Irene Ramiro, Sasha Tsuda, Tiffany Rieta and Kristina DiFazio

Street as a natural gas broker for GFI Group Inc. While at GFI, Kristina was consistently among the company's top sales producer team and was promoted to senior broker after just seven months with the company. Her impressive client list included top energy companies such as Exxon, BP, Shell, NextEra Energy and Conoco Phillips. Kristina surpassed GFI's sales and margin goals and was personally responsible for generating over \$2.5 million in broker revenue during her tenure there. In 2015, Kristina traded her career on Wall Street for the Hawaii beaches. She joined Hilton Grand Vacations (HGV) in Honolulu as a sales and marketing representative, generating nearly \$500,000 in her first five months with the company. Kristina exceed HGV's expectation and earned yet another spot as a top producer.

Kristina joined Associa Hawaii in 2017 as a community manager, but because of Wall Street roots and local sales and marketing experience, she quickly rose to director of business development. Working alongside Associa Hawaii's chief business development officer, Kristina is responsible for continuing to grow Associa's diverse portfolio of clients and communities.

**Sasha Tsuda**, COS, entered the community association management industry in 2002 and has been a member of National Association of Parliamentarians since 2010, and obtained her Certified Occupancy Specialist (COS) certification with the National Center for Housing Management in 2014. Sasha started as an administrative assistant and says she was fortunate to have Randall Weikert, general manager of the Mauna Luan, as a mentor. Sasha has been with Associa Hawaii for 10 years. Previously she performed several roles such as community manager, vice president, VP of administration and client services, office manager with a portfolio ranging from 9 to 13 properties, single-family, townhomes and high-rise condominiums at Management Inc. Sasha has been a director of management services since 2015 and currently oversees six community managers.

is retired from building management, but does expert witness consulting for legal cases.)

She moved to Amfac/JMB Realty Corp. as vice president, and was responsible for Waialeale development. At Waialeale, she served as the declarant-appointed president, chairman of Waialeale's Design Review Committee, and was credited with a seamless transition from declarant-to-homeowners with a budget surplus, a 10% HOA dues reduction with no lawsuits.

She later joined Hawaiiana Management as senior executive vice president, and was twice honored by *Pacific Business News* as Businesswoman of the Year, and was also bestowed a Making a Difference Award from the Hawaii Council of Community Associations.

"I used to sleep with my phone and my iPad," she says. "My husband started calling my iPad my husband. He'd say, 'Oh, you left your husband in the back seat of the car.' I'm checking continuously, people think I'm crazy, but I have to. If I don't, it would drive me crazy if I couldn't get to my clients, because I know they need me and that's what they expect."

Then, in late 2017, she abruptly left Hawaiiana.

"I didn't have any plans," Kacher says. "People were shocked that I just walked away. I took some time off, had four job offers in three weeks. It helps to know people."

In January 2018 she joined Associa. Good hire. In conjunction with teammates who include Kristina DiFazio, brought almost 9,000 units and 46 associations to Associa in one year.

"I have to say, Pauli Wong (president)) and Neil Ross (senior VP) have been so helpful."

She calls Associa "the company of the future."

"First of all, the owner, John Carona, has invested heavily in technology. He's seen what happens when a company doesn't invest in technology—like the taxi companies and Uber. Our app TownSquare already has 13,000 Hawaii residents signed up. He's also investing in people. Usually you hire from inside the industry, but he hired an executive from Pepsi. He's hired hotel people, to have a fresh set of eyes look at different things. And in this office we have a lot of people who were part of that original



**Phyllis Kacher and Bernie Briones have been reunited at Associa**

Chaney Brooks group and have 35 years in the industry."

The circle has come full, and continues. The pioneer woman with gratitude for many is a mentor for many more, leading the way by example, still working hard.

## An Attitude of Gratitude

Befitting someone who has worked in property management for more than 30 years, Phyllis Okada Kacher has worked for and alongside a lot of people. Some are colleagues, some mentors, some family.

"I just want to say 'thank you' to these people who've played such an important role in my life and career," she says:

Len Kacher, Cory Kacher, Richel Cole, Bob Okada, Traci Hanson, Mabel and Masao Okada, the Sato Family, Pauli Wong, Neil Ross, Bernie and Jeep Briones, Kristina DiFazio, Dianne Gatmen, Mark and PattiJo Lewis, John Carona, Mike Packard, Michele Alueta, Regina Mizusawa, Milton Motooka, Malcolm Ching, the Waialeale staff and board, Chris Kanazawa, Richard Melcher, Shozo Yoshizawa, Aaron Chaney, Wendell Brooks Jr., Norb Buelsing, Delma Ogata, Emory Bush, Jay Bloom Eiichi Matsumoto, Naina Ogden, Elena Cazinha, Charla Trevenen, Marc Udoff, Luana Farias, Michelline Balisbisana, Larry Pothast, Duane Komine, Davie Felipe, Ralph Shumway, Suzanne Alawa, Nikki Senter, Charlene Gray and Blanche King.





PHOTO COURTESY HOKUA

# BMH Asks Building Managers: Halloween Happenings

BY DON CHAPMAN

Halloween marks the start of the holiday decorating season, which can be complicated in a condominium. So *BMH* surveyed Hawaii building managers about policies at their properties, as well as their costumes.

## Allure Waikiki

**General Manager:** Leland Nye

» **What is your building's policy regarding decorations on doorways?**

We allow decorations on certain

holidays. On those selected holidays, some residents have amazing door decorations.

» **Do you put up any Halloween decorations authorized by the association?** Yes,

we decorate the entire lobby. The children love the decorations every year. Allure Waikiki is a great community and I believe holidays help bring families together.

» **What is the policy regarding trick-or-treating in the building?**

Residents are allowed to trick or treat in the building on Halloween, however most children select to participate in our annual Halloween party instead.

» **Are you wearing a costume this year? If so, what is it?** Yes, it is a

surprise. One of my favorite parts of Halloween is the mystery of everyone's costume.

## Waipuna

**General Manager:** Ralph Shumway

» **What is your building's policy regarding decorations on doorways?**

Seasonal decorations on doors are allowed.

» **Do you put up any Halloween decorations authorized by the association?** No

Halloween decorations in the common areas are put up.

» **What is the policy regarding trick-or-treating in the building?** Trick-or-treating door-to-door is not allowed. However, we do collect candy and treats to give away at the front guard shack.

» **Are you wearing a costume this year? If so, what is it?** I usually wear a costume that involves a lot of hair (since I don't have much anymore).

## Waihonua at Kewalo

**General Manager:** Kathy Lau Best

» **What is your building's policy regarding decorations on doorways?**

Decorations are not allowed on entry doors of individual residences.

» **Do you put up any Halloween decorations authorized by the association?** Yes,

we decorate the lobby desk for Halloween and have treats in the candy

dish throughout the month. At our annual Halloween Potluck for residents, the Club Room and Recreation Deck are also decorated for the occasion. We like to decorate and celebrate a few of the major holidays throughout the year.

» **What is the policy regarding trick-or-treating in the building?**

Our board of directors, social committee and management hosts the Halloween Potluck with Halloween activities, including a pumpkin carving contest, craft activity for the kids, a costume parade around the infinity pool with trick-or-treat stations at



Leland Nye



Ralph Shumway



Kathy Lau Best



various pavilions and locations on the rec deck. The last treat station is at the Club Room where the kids get to pick a fun-themed toothbrush donated by our resident orthodontist, Shelly Kawamoto. The event concludes with an announcement of the pumpkin-carving contest winners and dancing to the “Monster Mash.” We don’t allow door-to-door trick-or-treating, but most residents walk over to Ala Moana Shopping Center or Ward Village since they are just steps away from us and have generous Halloween giveaways. Management and staff pass out treats to the kids as they walk through the lobby.

» **Are you wearing a costume this year? If so, what is it?**

It’s a surprise ... TBD.

## Hokua

**Operations Manager:** Ryan Benavente

» **What is your building’s policy regarding decorations on doorways?**

Hokua’s official house rules state that nothing is to be placed on the outside of the unit door in the common area hallway.

» **Do you put up any Halloween decorations authorized by the association?** Only decorations put up



Ryan Benavente

for Halloween are in the management office area.

» **What is the policy regarding trick-or-treating in the building?**

There is no “trick-or-treating” allowed in Hokua’s tower. The Hokua management team usually dresses up in costume and invites residents to the lobby where there are treats, games and photo ops. Some Hokua commercial spaces also participate with decorations and treats.

» **Are you wearing a costume this year? If so, what is it?** Yes! I’ll be the “King of the North” John Snow.

## Waikale Community Association

**General Manager:** Malcolm Ching

» **What is your building’s policy regarding decorations?** Residents can put up holiday decorations, but must remove them 15 days after the holiday



PHOTOS COURTESY WAIHONUA



Malcolm Ching

or event is completed.

» **Do you put up any Halloween decorations authorized by the association?**

No. We have no Halloween events at Waikale. We did

have one over 15 years ago and the turnout was very low, so we stopped having them.

» **What is the policy regarding trick-or-treating in the building?**

Trick-or-treating is allowed in our community

» **Are you wearing a costume this year? If so, what is it?** It is optional for my staff to dress up for Halloween.

## Park Lane Ala Moana

**Executive Assistant:** Stacey Agmata

» **What is your building’s policy regarding decorations on doorways?**

We allow decorations to be hung

from unit doors on Oct. 28 and request our residents to remove them by noon on Nov. 1. A door-decorating contest in addition to most original costume and a pumpkin-carving contest is planned for the Park Lane ohana, too.

» **Do you put up any Halloween decorations authorized by the association?** We adorn the Management Suite and front desk with modern Halloween décor.

» **What is the policy regarding trick-or-treating in the building?**

Our team designs a treat map and organizes a schedule based on those units interested in handing out treats. The management team distributes treats to kick things up and after the little monsters and characters have visited their neighbors, families gather at the Great Lawn for refreshments, more dessert, Halloween-themed games and SPOOKtakular activities.

» **Are you wearing a costume this year? If so, what is it?** Yes, though this is top secret and will be revealed on Halloween.



# Taking the Gym to Seniors

GYMGUYZ trainers emphasize fall prevention in one-on-one sessions with seniors in their condos

***Editor's note:** This is the second in a continuing series of stories BMH is doing on aging-in-place in a condominium. The goal is to provide building managers with potential resources for them, their elder residents and their families.*

BY DON CHAPMAN

There are as many reasons to exercise as there are types of exercise, and they'll likely change during the course of a person's life. The one time in life when it's imperative to exercise, says Debbie Kim Morikawa, is in a person's senior years.

"As we get older, it's just about safety. It's for quality of life," says Morikawa, owner of GYMGUYZ, which provides in-home personal training for seniors, including in condominiums. "If you don't exercise, and start to lose mobility, you lose your independence. And for someone who is living alone, or spends a lot of time on their own, it is about independence. . . . You have to take care of your health, because if you don't, your quality of life can go down in a hurry."

Especially for seniors who live alone, condominium managers and staff are in a prime position to detect when a resident could need help.



**Debbie Kim Morikawa**

PHOTOS COURTESY GYMGUYZ

"In a condo, what I tell people, the building people are the ones most likely to notice," says Morikawa. "The resident manager, security, maintenance, they can observe these changes. Maybe the person is not as well kept, or they walk with a shuffle, or reach for the walls for balance, or when they stand up they have to push off. There are all these signs people are getting more frail. Before that person falls and ends up in the emergency room, that's a good time to touch bases with them and possibly their family."

Above all, Morikawa and her team of trainers (both male and female) emphasize the importance of balance.

"According to the Centers for Disease Control, one in four seniors 65 or older will fall," she says. "In Hawaii, every hour of every day, a senior is going to fall. And of the seniors who fall and go to the emergency room, 35% never go home. It's serious. When you're older, falls have more consequences. Falls are the leading cause of fatal and non-fatal injuries in seniors."



Gene Smith, 89, who was diagnosed with Parkinson's about two years ago, works out at home with GYMGUYZ trainer Jedd Ramos. Boxing workouts have proven to be effective in fighting Parkinson's

That's why her GYMGUYZ trainers teach "functional" exercises aimed at fall prevention.

"Balance is a skill," Morikawa says. "Exercise for a senior is really about how do you maintain your muscle strength, because you're going to

just physical fitness. It also has mental benefits.

"We've always known exercise is good, but now we know exercise can produce brain cells," says Morikawa. "Wendy Suzuki, a neuroscientist, did studies on exercise and the brain, and

director of the Institute for Human Services. GYMGUYZ is a national company, and she opened the Hawaii franchises in June 2017.

Morikawa says the seniors her company works with appreciate the gym coming to them instead of them going to the gym:

"Many seniors, especially those who have never been to a gym, are hesitant to go.

"And so many times you see exercises for seniors, they'll be seated, doing things for strengthening. But that's not what is going to keep a senior safe if they're walking. . . . In order to develop balance skills, you need to challenge people. The only way is working one-on-one with a trainer in a safe environment, where if they lose their balance someone has them. And we customize exercises according to the client's needs."

Yet another benefit for a senior living alone in a condo, she says, is the companionship factor. "They always enjoy the one-on-one experience with our trainers."

For more information, call 638-2525 or go to [gymguyz.com](http://gymguyz.com).

## *"Balance is a skill. Exercise for a senior is really about how do you maintain your muscle strength."*

lose about 1% of muscle mass every year past the age of 50. That's just physiological. So unless you're doing strength or resistance training, you're going to lose muscle mass. That 1% doesn't seem like a big deal, it's very gradual. So for years, when you go to stand up from a chair, you just do it without thinking. Then one day, oh, maybe you have to think about this, maybe you have to steady yourself."

Study after study has shown that exercise makes a person stronger, no matter their age or physical condition to start.

And exercise is about more than

found that when you exercise you can produce new cells in the part of the brain that is most susceptible to things like Parkinson's disease and dementia, things that people tend to get at an older age. What she found is that exercise has a lot of neuro-protective benefits. For Parkinson's, exercise is the only thing that is neuro-protective."

Morikawa has been teaching occupational therapy since 1987, and has been "involved in every aspect of long-term care." She has also served as the director of the City and County of Honolulu's Department of Community Services and before that was the



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# Need Free Heat?

Combined heat and power facilities are rare in Hawaii, but hold great potential for commercial buildings

Co-generation—also known as “combined heat and power”—has a long and colorful history in Hawaii. Once seen as a way to utilize onsite waste products such as sugar cane bagasse, or to help oil refineries achieve higher operational efficiency, CHP has now evolved into a smaller, more efficient onsite power-generation resource with a high return on investment. This article will explore the basics of CHP, the existing market and the opportunities across the state.

## What is Co-Generation?

Co-generation usually takes the form of an engine that burns a fuel to create heat and electricity, similar to a back-up generator. Heat from the engine is transferred to make hot water, and the

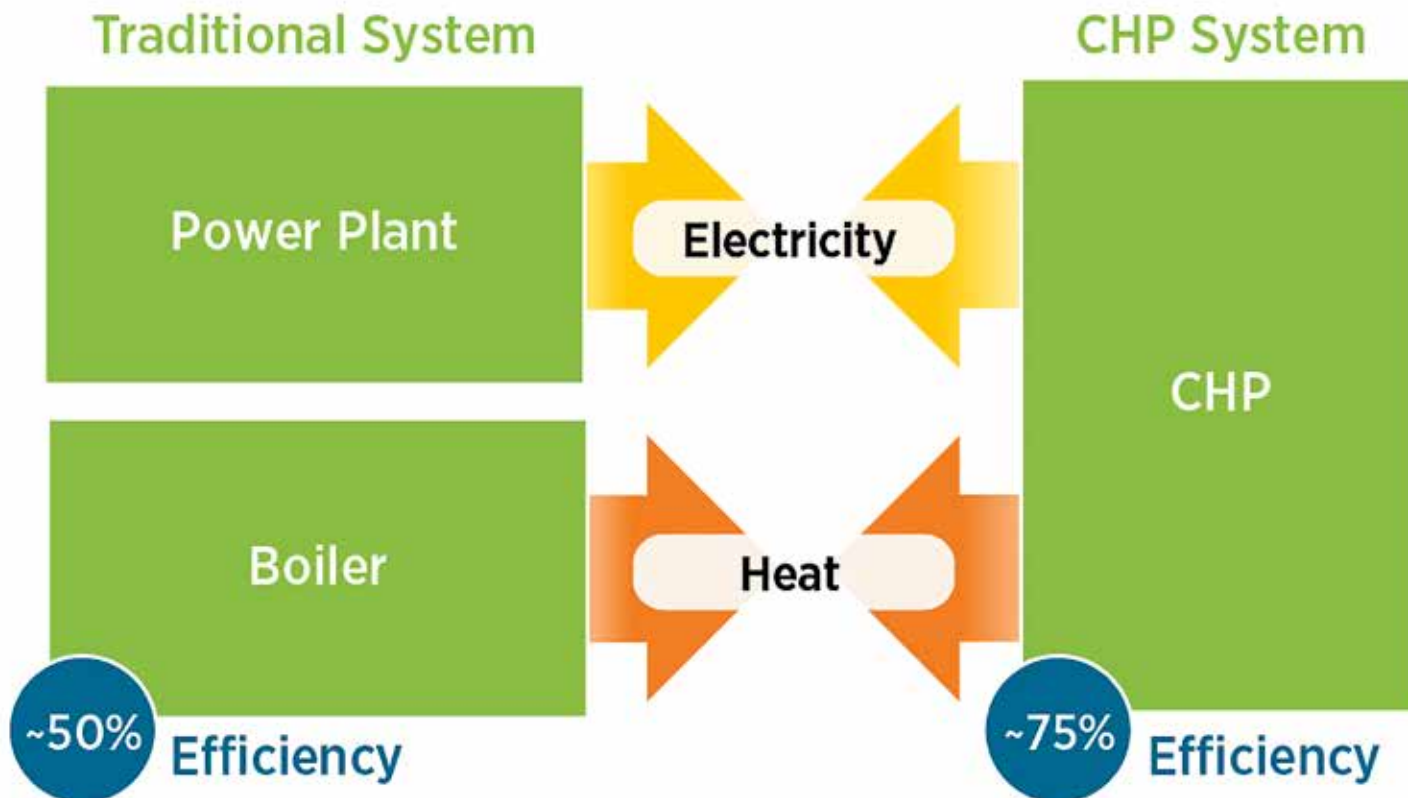
electricity output is used by the building to offset consumption from the utility grid. The type of fuels used in the engines varies, and can include methane from landfills, propane from the utility company, or biodiesel from local manufacturers. If the fuel is listed as a “renewable resource,” CHP can be considered “renewable energy” in Hawaii. If the fuel is not a qualifying renewable resource, then CHP is considered “energy-efficient.”

## Keeping Current

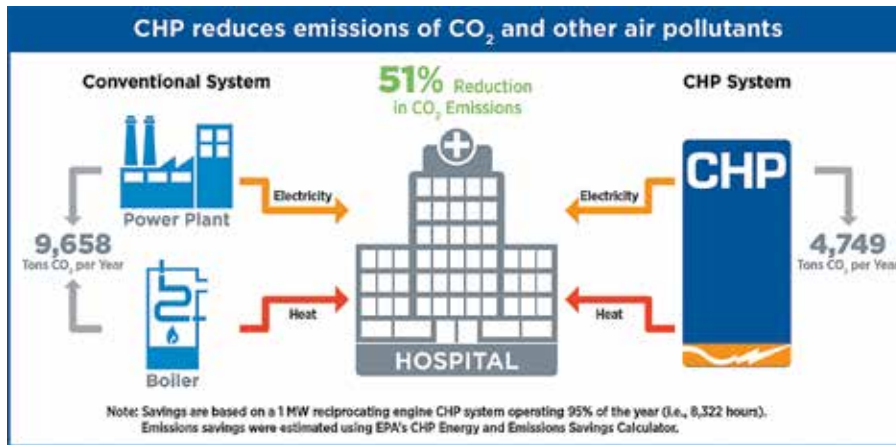
(Figure 1) According to the U.S. Department of Energy’s CHP database, there are 11 existing projects in Hawaii, using a variety of fuels including propane, waste fuel and diesel. They are located at hotel/resorts, hospitals, oil

refineries and more. The ideal candidate sites for CHP are commercial or industrial sites that have high thermal energy loads (hot water, chilled water) and have high operating hours, usually 16 plus hours a day. The CHP engine creates hot water (like a boiler) for the building at temperatures in the 130F to 160F range, and at the same time the engine generates electricity (like a power plant), which is fed into the building to offset utility-purchased electricity. With current electricity rates in the \$0.25-\$0.30/kWh range, every kilowatt hour generated by the engine is money saved for the owner of the system. While there are currently no rebates available for CHP in Hawaii, the money saved will pay off the cost of the system within three to five years!

**FIGURE 1**



**FIGURE 2**



## How Does It Compare?

The physical footprint for a CHP system is similar to a standard boiler or backup generator, and can be retrofitted into existing hot or chilled water systems. Hot water from the CHP engine is fed by hot water pipes, and electricity from the engine connected with standard wiring. When comparing CHP with other onsite energy resources such as solar PV or small wind, the capacity factor for CHP is much higher—meaning the equipment is producing electricity for longer

periods of the day, which translates into higher revenues/lower payback times. No rooftop space or large agricultural areas are needed for these CHP systems to operate. In fact, the closer they are to a building or “point of use,” the better.

## The Benefits of CHP

(Figure 2) Aside from the dollar savings, CHP systems have additional benefits, including grid support, backup power and higher asset values for property owners. CHP systems can also

reduce carbon emissions when compared to traditional power plants and gas-fired boilers. In the 2018 “State Energy Efficiency Scorecard” report released by the ACEEE, Hawaii received a score of 1 out of 4 possible points for the CHP category, meaning there are few policies or incentives for end-users to install CHP.

In summary, the most critical component for a successful CHP product is the utilization of the heat from the engine, which makes the choice of sites important—not every site is geared toward CHP. As mentioned earlier, only sites with high thermal demand—hot or cold air/water—and high operating hours are good for CHP systems and should be considered. ♦

*Maui-based **Chuck Collins** develops and manages energy projects at Dorvin D. Leis Co., the largest mechanical contractor in Hawaii. He has worked in the energy industry as a private energy consultant, a CEO of an energy services company, and managing programs/projects for the federal government. Reach him at [chuckc@leisinc.com](mailto:chuckc@leisinc.com) or 808-270-0151.*

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# Energy Audits and Your Building

## Unlocking the secret to improved building performance



Keith Block

On a scale of 1-10, how aware are you of the things preventing your building from running at optimal performance?

If you want the hard truth, an energy audit is key.

Energy audits help you understand exactly where your usage—and money—are going. When you consider taking your building to that next level, audits help determine what equipment is the right fit, ensuring you're not paying for a system that is insufficiently equipped to meet your needs, or is producing more power than your building could ever use.

Not only that, audits will pinpoint what changes will be the best value for your money and address payback times, so you know when you'll start seeing the return on your investment.

If you've never had one, or it's been more than five years since your last audit, consider having one completed. The results of a building energy audit are a roadmap to a better, more efficient building, one project at a time.

Did you know that there are various levels of audits? Here's the breakdown on each type, so you can decide what level would be the best fit for you:

### ASHRAE Level I Audit (walk-through audit, no/low budget)

- Brief site inspection of the building
- Identify low-cost/no-cost energy savings opportunities
- A general view of potential capital improvements
- Assessment of energy bills
- Adequate to prioritize energy efficiency projects

### ASHRAE Level II Audit (detailed building survey, energy analysis)

- Identify no-cost and low-cost opportunities
- Provide energy efficiency measure

recommendations in line with financial plans and potential capital-intensive energy savings opportunities

- Life cycle cost analysis
- Breakdown of energy usage and building characteristics
- Savings and cost analysis of all energy conservation measures (ECM)
- Identification of ECMs requiring more thorough data collection and analysis
- Adequate to justify implementation of energy efficiency projects

### ASHRAE Level III Audit (highly instrumented, long-term study)

- Detailed analysis of capital-intensive projects
- Detailed field analysis
- Rigorous engineering analysis
- Cost and savings calculations with a high level of accuracy
- Sometimes referred to as "investment-grade audit"
- In addition to Level I and II activities, Level III audits include monitoring, data collection and engineering analyses
- Adequate for an extensive understanding of energy use and power demand that informs short- and long-term facility enhancements to reduce energy use

Although Level II and Level III audits come at a higher price point, they provide more information on your building's current energy usage. Especially if you have defined energy efficiency goals but have not yet taken action, or if you have plans for a major renovation or equipment upgrade and want to identify other cost-effective measures to implement concurrently, you should consider one of these options.

Customers on Oahu, Maui and Hawaii Island are eligible for financial



incentives through Hawaii Energy that can help pay for your audit. Program pre-approval is required prior to the start of the energy audit process, and eligible program participants are those who ideally own or operate a high-energy usage facility that has at least 50,000 square feet of conditioned space or that consumes at least 1,000,000 kWh/year.

An energy audit is a good first step to understanding your energy usage. Reducing your energy bill comes from the implementation of efficiency projects, which Hawaii Energy can help guide and provide additional incentives toward. ♦

*Keith Block is the program engineering manager at Hawaii Energy. He is responsible for helping the team implement energy conservation programs that provide financial incentives to commercial customers to enable them to identify and install energy conservation measures. Reach him at 848-8579 or [keith.t.block@leidos.com](mailto:keith.t.block@leidos.com) or go to <https://hawaiienergy.com/for-businesses/incentives/whole-building-assistance>.*



### ABOUT US

Greenpath Technologies Inc is a turnkey energy solutions project developer empowering its customers to be self-reliant in their energy needs. Our customer base includes commercial, industrial, government, and residential clients. Since our inception in 2007, we've been providing full scale engineering, procurement and construction (EPC) services, including Project Development, Financing and Operations & Maintenance to our customers.

### PRODUCTS & SERVICES

Our strong partnerships with technology and equipment providers, engineers, and specialty contractors enable us to provide truly turnkey project development to our customer. We envision that our customers can be self-reliant in their energy needs and thus obtain competitive advantage in their core businesses. We also assist our customers in project development and funding. We enable our customers in the following main Products & Services:

1. **Photovoltaic Systems (PV)** generating renewable energy with grid tied or off grid design to customer specifications
2. **Energy Storage Systems (ESS)** utilizing various proven technologies to store and use energy including peak demand shavings and grid stabilizations.
3. **Electric Vehicle Charging Stations (EVCS)** installed at vehicle parking locations to encourage adoption of Electric Vehicles and thus enlarging the electric grid.



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# Multiple Ways to Finance a New Solar System

Options include owning or leasing a new system



Tricia Rohlfing

Thinking of going green? Fantastic! Now how will you pay for it?

There are many ways to finance your renewable energy project, including cash, loans, leases, power purchase agreements (PPA), on-bill financing and others. But to get started, we strongly suggest getting an energy audit to determine how energy is currently being used and to evaluate which modifications could reduce usage. An audit will evaluate modifications such as lighting retrofits, changes to HVAC systems, insulation and other possible changes. It should also assess the benefit of adding on-site energy generation such as a solar system. Once you have that information, you can determine the best next step and how to pay for it.

When you pay for a solar system with cash or debt, you own it. You enjoy the tax incentives and the benefits including reduced electric bills and contributing to Hawaii's energy sustainability goals. Federal tax incentives are currently 30% of the approved system cost, but those will

decline starting in 2020. State tax incentives are presently 35% of the approved system cost, subject to a cap. Remember, to use tax credits you must have a tax liability. The State offers cash in lieu of the credit, but at a discount to the 35% amount (your tax accountant can advise you).

*We strongly suggest getting an energy audit to determine how energy is currently being used and to evaluate which modifications could reduce usage.*

If you decide to own the system, you also need to consider the associated costs such as insurance and maintenance, which includes regular cleaning and repairs if the system is not working properly. Your solar installer should provide operations and maintenance (O&M) at no charge for at least the initial year. You can contract with them, or another solar company, to provide O&M services after

that period. It is important to contract with a company that understands solar systems to insure they troubleshoot and repair faults correctly.

You should also budget for equipment replacement. Solar panels will produce energy for many years and should not need to be replaced for at

least 25 to 30 years. Other components, however, such as inverters and batteries, have shorter useful lives and will need to be replaced at some point.

Under a lease, or PPA, you will not receive any tax credits, but you won't be burdened by O&M or equipment replacement cost. Under a lease, you generally pay nothing upfront, but will make fixed monthly payments regardless of how much energy is produced.

With a PPA, you only pay for the





energy that is produced. Generally, the rate you pay is fixed and lower than the utility cost. When analyzing the potential savings, it is important to consider which utility rate schedule you are on. There are different schedules, and companies with multiple properties may find that different properties are on different rate schedules. Larger properties are often assessed demand charges, which do not immediately go away with a solar system. Most solar installers will provide an analysis of the potential savings from installing a solar system, but an analysis that only compares the difference in rate per kilowatt hour is inadequate and misleading and may result in a poor decision. Make sure your solar company does a thorough job in analyzing and presenting the information so you can make a good, green decision. ♦

**Tricia Rohlfing** is vice president of finance at Hawaii Pacific Solar (HPS). Prior to joining HPS, Tricia was director of energy ventures for Makani Nui Associates, a development partner with First Wind that developed and continues to operate several wind farms in Hawaii. She joined Makani Nui Associates in 2010 after retiring from Bank of Hawaii, where she was last senior vice manager at the bank's Maui Commercial Banking Center. Rohlfing earned her bachelor's degree in finance from Oregon State University. She currently serves on the Maui Economic Development Board. Reach Hawaii Pacific Solar at [hawaiiPacificSolar.com](http://hawaiiPacificSolar.com).



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# Keeping Your Power in Top Condition

## Technology can control power surges and sags, while protecting electronic devices

Poor power condition in Hawaii causes shutdowns and damage to electrical devices, especially modern, digitally-controlled equipment like elevators, chillers, pumps and air handlers, along with their variable frequency drive motor controllers (VFD).

This problem is so widespread in the Islands that Hawaiian Electric has a section on its website that advises all utility customers to use surge and spike protection devices, and to have a power conditioner that will improve and stabilize the power to their facilities, including the expensive, sensitive equipment in them. The site identifies 11 different power quality conditions and says, “Without proper conditioning, sags, momentary interruptions or transients could adversely affect the performance of your sensitive equipment.”

We hear daily from facility managers who are dealing with the fallout of equipment shutdowns and damage—inoperative elevators sometimes resulting in entrapments, blown VFDs, burned chiller controls, fire alarm system faults and error messages, CCTV system failures, erratic air handler operation, etc. They are correct in realizing that grid power fluctuations and conditions that are being created within their own facilities are at the center of the problem—but often have no idea where to go or what to use to get the situation resolved.

Today, the equipment and devices we use are primarily digital, computers using diodes, and they operate differently than the older equipment and motors. Digital devices such as LED lights, computers and TVs use a pulse of electricity at a high rate of speed.

Even our simple inductive motors are now—for efficiency, safety and convenience—controlled by digital computers. The invention of the VFD



has severely reduced the electrical energy consumption and cost to operate motors around the world.

Even though electricity is common, it is complicated. It is made up of many components like Kw, Kva, Kvar, current voltage and power factor at a minimum. The equipment we use affects their relationship to each other and the total power quality and condition available to us.

So what is the real problem? Basically, these great little computers and control systems, along with all of the other electrical equipment we use, including motors, compressors and capacitors, degrade the power quality. This results in the distortion of the electrical sine wave. When combining these negative conditions, sometimes referred to as “noise” with transient voltages, surges, sags or undervoltage conditions, often experienced in Hawaii, the available power quality and condition becomes so poor it does not meet the manufacturer’s minimum requirements of our electrical equipment. So it shuts down

or is damaged.

The remedy for these conditions is “power conditioning.” But you need a conditioner that can address all of the quality and conditions that HECO suggests could be causing the interruptions, inconvenience and even damage you are experiencing.

There is a product perfectly designed for this task and many equipment manufacturers and service providers in Hawaii are recommending Power Shaver and the Universal Shunt Efficiency System (USES) to customers as the solution.

USES is used in many countries around the world by thousands of customers. It is a patented, passive, maintenance-free, resonance-free magnetic field induction system that employs five methods of power conditioning with two forms of surge and spike protection. It is available in single- and three-phase configurations. The USES technology has been in use for 30 years and has certification from UL, CSA, CE and is available on GSA- IT schedule 70.

The patented control choke shunt design enables it to filter and reduce noise, safely correct power factor in a resonance-free manner, capture transients and reduce energy consumption and costs.

It also allows the power phases to be magnetically coupled together to support each other during voltage sags, which increases and balances voltage, reduces damage and results in fewer circuit losses. ♦

***John Knapp** has run Power Shaver for over a decade along with USES, improving power quality, eliminating equipment shutdowns and protecting the equipment of Hawaii facilities in many industries. Satisfied customers in hospitality, condominiums, medical, museum, university, waterpark, conference center and others, along with homeowners, have enjoyed energy and cost reductions that allow for a very short return on investment. Reach him at 373-4661 or visit [www.Powershaver.com](http://www.Powershaver.com)*



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# How Replacing Your Old AC System Can Save Money

Newer systems also increase the value of commercial buildings

Nothing uses more energy in Hawaii's commercial buildings than air conditioning (see attached graph, courtesy of Hawaii Energy). Deferred maintenance on, or replacement of, an old AC system costs buildings owners exponentially. Not only do older AC systems use more energy than newer systems, they cost more to maintain each year because they become less efficient over time. They break down, often due to age and environment. These breakdowns can cause tenant discomfort, which leads to shorter lease terms.

The high utility costs of old AC systems push up common area maintenance (CAM) fees and make a commercial building less competitive in the market place due to higher overall rent and fees per square foot. When old AC systems are left in place beyond their mechanical life expectancy, the cost of ownership increases dramatically. With expensive failed compressors and corroded outdoor coils, the money spent trying to keep these old units running can become cost prohibitive to some owners. That money is much better spent on replacing them with new, higher-efficiency systems.

With Hawaii's electrical rates being the highest in the nation (see attached chart from U.S. Energy Information Administration), often there is no higher return possible on a legal investment than replacing old, inefficient AC units with high-efficiency ones. With return on investment of 30% to 50% or more, and simple payback periods of two to five years or less, air conditioning replacements are one of the most attractive investments that a Hawaii commercial building owner can make. These projects not only yield a huge financial return, they increase the appraisal value of the building as well. With energy being one of a commercial building owner's most controllable costs, each dollar saved on the electrical bill goes straight to the bottom line and increases



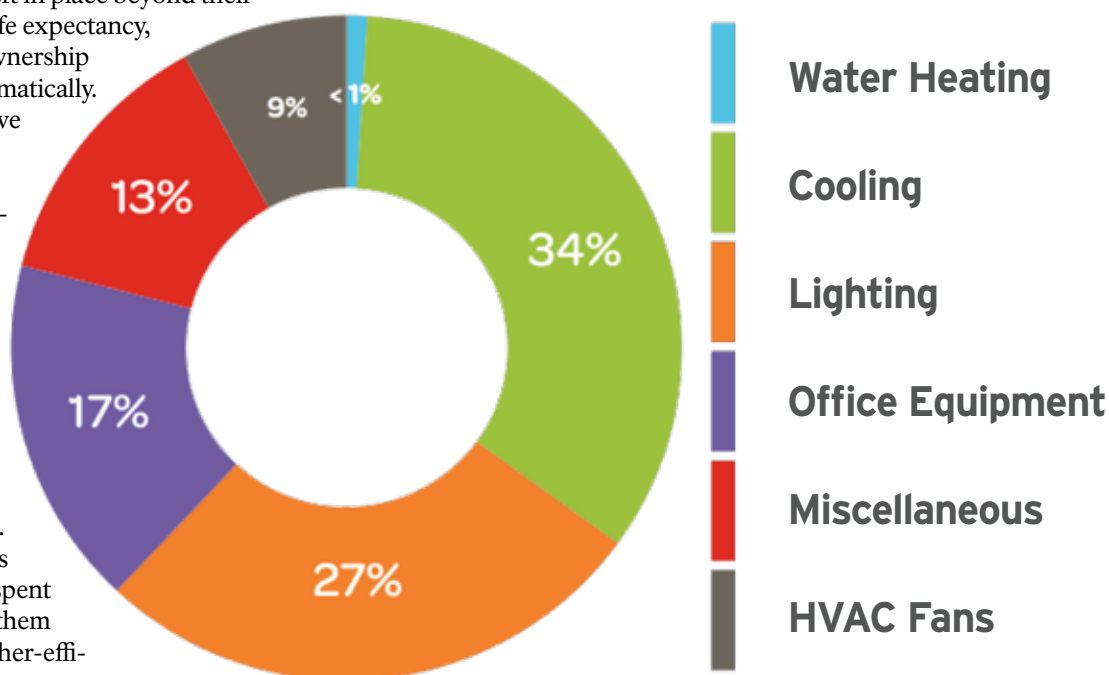
Myron Thompson



Mike Hedge

net operating income, by which most commercial buildings are appraised. Not replaced, these old AC systems become "bargaining chips" should the owner try to sell the building. The first thing any potential buyer will do is send in a team of due diligence experts, who will immediately call out these old systems for replacement and ask for a discounted price.

There is good news. Technology advancements in air conditioning equipment, refrigeration and solar thermal panel applications are helping to make any replacement significantly more efficient. Most of the major air conditioning companies are seeking and providing better solutions with higher efficiency ratings, longer lasting designs and a strong emphasis on overall energy savings. These technologies, used in conjunction with each other, provide commercial building owners and managers with longer lifespans and greatly reduced energy costs. Energy efficiency improvements with an additional energy savings program, will reduce your cooling and energy loads, and your building



won't require as many PV panels.

There is also help. Local banks see the value of energy projects and compete for their financing. There are also investment funds that loan or lease at a higher rate for those without credit or borrowing capacity. These companies can also fund energy projects as part of multi-year service contracts and are paid for as a building operating expense and not as a capital expense. Because of their high returns, a typical 10-year lease is usually paid off in five to seven years instead.

Energy efficiency goes beyond saving money. So forget the new lobby or parking lot striping for now, and get a new energy efficiency assessment and program. Let the subsequent returns pay for your other projects. Invest in an energy-efficient AC system with an intelligent and realistic energy savings program. This will in fact reduce your energy costs, provide you subsequent returns to pay for your other projects and reduce your carbon footprint. The positive, social and environmental impacts will be far reaching. ♦

**Myron Thompson** is the President/CEO of CoolXEnergy is a commercial and residential HVAC and solar-licensed company providing air conditioning, refrigeration and solar products and support services. He has owned/operated several businesses in Hawaii, and is chairman for the Myron B. Thompson Academy and the Oahu Economic Development Board. The CoolXEnergy team's mission is to provide energy efficient products and services to improve one's quality of life and help Hawaii attain sustainability goals.

**Mike Hedge** is the RME/engineer, head of the HVAC Technical Division of CoolXEnergy. His career in HVAC started at a young age in his family's HVAC company in New Jersey. He is accredited as a Certified Energy Manager from the Association of Energy Engineers and Energy Efficiency Funding Group as an Efficiency Sales Professional. Mike also created and taught several classes for Hawaii Energy, and taught in Honolulu Community College's hotel workers HVAC apprenticeship program. Reach them at 202-8436 or [www.coolxenergy.com](http://www.coolxenergy.com).

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# Managing a Multi-Unit Water Loss Situation

The devil is in the details when bringing back a building



Managing a multi-unit water loss event is no easy task, often paralleled in difficulty by trade negotiations between countries, finding a parking spot downtown when there's an event at the Blaisdell, or trying to get your 2-year-old to accept the fact that it is bedtime. Even for those of us who operate in this world every day, these events are always dynamic. Ask any resident or building manager about their last event and they'll rattle off a long list of administrative tasks that kept them up at night.

The complexity usually is compounded by the sheer volume of interested parties. Below is a quick outline of how you can have up to 15 interested parties on a simple water loss affecting three units.

**1) Building Management:** two parties, usually a combination of someone who manages things from site level and someone who manages things from an administrative level.

**2) Building Insurance:** two parties, usually the agent who sold the policy and the adjuster who is servicing the policy once a claim has been made.

**3) Unit 3xx:** two parties. This unit is owner-occupied, so the unit owner and their insurance adjuster.

**4) Unit 2xx:** five parties. This unit is a long-term rental. You'll have the unit owner, their insurance adjuster, plus the tenant and possibly their adjuster if they have renter's insurance. If the unit is not self-managed, you'll likely have a property manager who oversees the unit on behalf of the owner.

**5) Unit 1xx:** four parties. This unit is a short-term rental. You'll have the unit owner, their insurance adjuster, plus whoever is occupying the unit at the time and the company who is managing the short-term rental.

Over the past two years, we've challenged ourselves to determine if there's anything we can do to assist our building managers and their occu-



Experience shows it's best to have on-site staffing in the lobby after a water event

pants in working through the process. Frankly, getting the building dry is the easy part when compared to managing the expectations of all of the parties involved. This led to the development of an internal program that we activate whenever we run into this level of complexity. This program provides an organizational structure that can be a lifesaver during a complicated time and can be broken down to the following basic steps:

**A) On-site staffing in the lobby,** usually just for the first three to 14 days of the event, depending on the level of severity and the number of units affected. I always recommend that this person be a fresh face, someone who is new to the building. This person can be associated with this event and become the point of contact for unit owners and occupants. This individual's sole responsibility is to answer questions about the process, coordinate contractor access and secure information from

the unit occupants about the parties involved on their side.

**B) A shared folder,** usually digital but not always, accessible to the building and their adjuster. Something as simple as a file-hosting service like Dropbox.com with a folder labeled with each unit number that was affected is a good place to start. As the on-site staff begin to collect information, it's important that it all has a place to go.

**C) A master document for contacts**—again, broken out by unit number with the following fields to be filled in. It's important this document has as many blanks as possible, prompting whomever is managing it to ask the right questions. For each contact you should attempt to gather name, company (if applicable), phone and email address.

- Unit owner
- Unit insurance adjuster
- Status (owner occupied, rental, etc.)

*Continued on Page 41*





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Glenna Maras

# Water Damage Categories

The type of water that floods a building determines restoration tactics

Have you ever been involved with a water damage restoration and heard the mitigation technician talk about different categories of water? Strange, right?

It can seem confusing, but the different categories can make a big difference in how the damages are cared for as well as the cost of the repairs.

When it comes to water damage there are three categories recognized. As the category level rises, so does the contamination. For instance, clean water, **Category 1**, is water from a clean water supply source such as a broken pipe or a sink. Though Category 1 may be harmless and be much easier to repair, it can quickly become contaminated and change from a Category 1 to a Category 2 and pose new health hazards as well as require more extensive mitigation work.

*When it comes to water damage there are three categories recognized.*

Category 1 can change to a **Category 2** for various reasons such as the water aging or contaminants being introduced into the water.

Here are a few examples of Category 2 water:

- Category 1 water left for over 72 hours
- Leaking washing machines
- Leaking dishwashers
- Leaking toilet tanks
- Broken aquariums or aquarium accessories
- Standing water

Though Category 2 may not be as toxic as Category 3 water, there are still many concerns to be aware of with Category 2 water damage.

- Touching, drinking or any other



- contact may cause illness
- Usually it can be sanitized and dried without having to do extensive demolition of the affected areas
- Category 2 water can become contaminated with disease-carrying

residue, leading to classification of Category 3

The last of the categories is **Category 3**, which is highly contaminated and requires affected materials to be removed instead of left in place and sanitized.

Concerns with this category are:

- Touching, drinking, or any other contact may cause illness
- Category 3 contaminants are commonly caused from sewage, ground water, or water coming in contact with filth
- Removal and replacement of affected material can increase the cost of repairs and affect the time it takes for repairs to be completed

All water damage categories require immediate action. It's always best to play it safe and have certified water technicians handle your water damage. Personal safety is always our first concern. Secondly, we are trained and experienced to handle any category water damage. Play safe and call the professionals. ♦

*Glenna Maras, mold-certified through IICRC, is the owner of SERVPRO of Kailua, which specializes in restoration and reconstruction services for floods, fire damage, mold, and storms. Reach her at 235-5015 or Gmaras@servpro10376.com.*

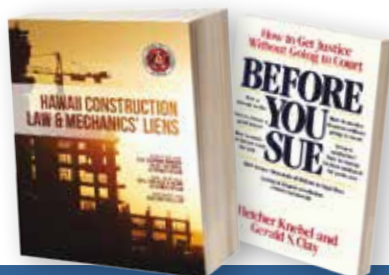


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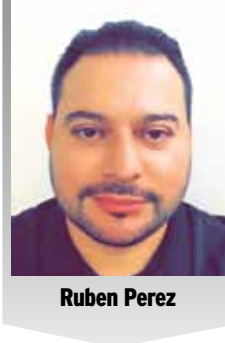
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# What To Look for In a Restoration Contractor

## 8 tips for finding a qualified water-damage specialist



Ruben Perez

As an ex-insurance adjuster with 18 years of experience, I have many stories that would terrify you as a condo owner. Although it is October and Halloween is around the corner, I'm not writing here to keep you up at night. The purpose of this article is simply to educate the average homeowner with some basic information that greatly impacts the way your insurance claim is handled once you report your claim.

One of the most disturbing things I constantly hear from homeowners when they report mold and/or water damages is their insurance companies can be quick to refer their "preferred vendors." Recently a homeowner cancelled our scheduled appointment because their insurance company told them they are not allowed to pick their "own" restoration contractor. This is 100% untrue. Why more homeowners have not reported this behavior to the Hawaii Insurance Division is beyond me.

A "preferred vendor" is pre-qualified by an individual insurance company with a stipulation that the company, if referred work by the carrier, offers a rebate back to the insurance company. Think about that for a second—you aren't being referred the best vendor, only one that is willing to play ball. The restoration company doesn't mind doing this because they will make it up in volume.

Also, the adjuster who is assigned to your claim is calling all the shots. Although this adjuster is not a certified IICRC (iicrc.org) water restoration technician (WRT), he/she is directing the technicians on-site on how to do their job to help minimize restoration and reconstruction costs. Would you ask your plumber to direct your electrician on how to re-wire your house? The end result, you get a an inferior job done and you are getting underpaid for the damages you sustained to your home. So at this point you think you



are "good to go" and start lining up contractors to bid on the repairs to your home, and here comes the wake-up call. You have three different contractors who all bid way higher than what your insurance company paid you and now you're fighting with the adjuster and the carrier to get what you are entitled to under your policy. This will take

months, all while you are living in your home half torn apart. The three D's in insurance: delay, deny, defend.

This can become a full-time job in itself, and don't think for one minute that this won't cause undue stress in your household. I've received angry phone calls from husbands and wives at all hours on behalf of the other spouse because they just can't take it anymore. Unfortunately, I am not the insurance company and the checks don't come from me directly. I'll do my absolute best to help facilitate your claim but the claims manager and claims supervisor ultimately make the call on what you will receive. So right about now you are asking yourself, "what can I do?"

### Here are some very important tips to know when picking your restoration contractor:

- 1. Are they A+ rated with the BBB?** Do they have any open complaints? How many complaints have they had in the past one to three years? What were the complaints and is there a pattern of bad customer service or poor workmanship?
- 2. Are they an IICRC-certified contractor in good standing?**
- 3. Don't be afraid to ask for valid certificates of insurance!** If they make a mistake, do they have liability insurance?
- 4. Is the business in good standing with the state?** ([hawaii.gov/business/check-out-a-business](http://hawaii.gov/business/check-out-a-business))
- 5. How many years has the company been in business?** Over the past couple of years, several new restoration companies have popped up on island. If you have an issue next year, will they be around to address your issues?
- 6. Does the company have an in-house insurance claims specialist on staff?** This will help greatly if you get

caught up in the red tape of insurance.

**7. Do they employ 24/7 (not just advertised) plumbers to address the water flooding your home?** You can't start the remediation process until the water has been stopped.

**8. Last but not least, what kind of reviews do they have on Google or Yelp?** If you do your research, a company that has a long track record of excellent customer service, you will find them here. Today's customers are very savvy and love to go online and report their personal experiences. ♦

#### From Page 36

- Access information (how do we get in?)
- Site info (there's an angry dog, or unit owner is hard of hearing so knock really loud, etc.)
- Tenant
- Tenant's insurance
- Property manager (if short- or long-term rental)

**D) A town hall meeting.** For larger events, we always recommend having a meeting once mitigation services are complete. This will allow building management to have the "what's next?" conversation only once with all the affected unit owners. It also allows a venue for questions to be asked and answered. A lack of follow up communication is one of the greatest challenges. This is a great way to avoid that.

With these types of multi-unit events, it's never a question of if they will occur, but more a question of when the next one will occur. Taking these steps will go a long way to finding success during a water damage event. ♦

**Anthony Nelson** is senior VP of operations and certifications at Premier Restoration Hawaii. He also is an applied microbial remediation technician, applied structural drying technician, carpet cleaning technician, carpet repair and reinstallation technician, color repair technician, commercial drying specialist, fire and smoke restoration technician, health and safety technician, odor control technician, resilient flooring Inspector and water damage restoration technician. Reach him at [anthony@premhi.com](mailto:anthony@premhi.com).

*A "preferred vendor" is pre-qualified by an individual insurance company with a stipulation that the company, if referred work by the carrier, offers a rebate back to the insurance company.*

**Ruben Perez**, Oahu Extraction business development director, has 18 years of insurance experience. He holds three HAAG engineering certifications,

commercial roofs damage assessment, wind vs. wave damage assessment, plus earthquake damage and reconstruction. Reach him at 226-3870 or [ruben@oahuextraction.com](mailto:ruben@oahuextraction.com).

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- Water damage restoration



# Crystal Ball Predictions

## The Marco Polo fire and Big Island lava are impacting Isle insurance rates



Ron Tsukamaki

In 2019, the motto is “get ready for a hardening market.” As we are into the second half of the year, we are seeing increases in insurance pricing, especially for Property, D&O and National Flood. The Worker’s Compensation, General Liability and Crime lines of insurance appear to be stable.

For Property risks on the Mainland, we are seeing some sharp increases in insurance pricing and reductions in capacity. Hawaii historically follows Mainland trends by several months, so we should expect this to start occurring here shortly:

- **The numbers of catastrophic losses that have occurred recently, such as the California wildfires and extensive flooding in the Midwest and South, have started to impact insurers’ profits.** We have heard this is especially true with Lloyd’s of London, where losses have been mounting. In the past, there was ample new capital flowing into insurance vehicles, which added a significant amount of insurance capacity to our market, but this is no longer the case.

- **There are a limited number of Admitted Insurance Companies in Hawaii who are competitive on larger insurance risks.** This will continue to limit the competitive forces in Hawaii.

- **Many insurance carriers previously had indicated they will be setting their pricing based upon their Catastrophic “modeling” programs.** These modeling programs have been showing risk exposures are increasing. In the past, the carriers appeared to be deviating from the modeling programs and cutting rates to write more premiums. This practice is ending.

- **Recent loss history for Hawaii risks has started to deteriorate.** The largest single fire loss in Hawaii’s history, Marco Polo, and the recent losses due to the lava flows on the Big Island



are two recent loss examples affecting local insurers.

Because of these factors, it would appear that rates will be heading up, and in some cases way up. The competitive forces of supply and demand are now involved, and there seems to be a shortage of supply in Hawaii.

Here are my predictions for insurance renewal pricing for the last quarter of 2019.

### Fire-Resistive Construction

These risks have seen competitive forces at work for the past few years. Since most insurance carriers want these risks, there has been much competitive pressure. This is no longer true especially since one of the major carriers suffered the Marco Polo loss, which will be the largest to date in Hawaii. This opened everyone’s eyes as to the loss potential even in Fire-Resistive construction. Therefore, we would anticipate the rates could start

increasing by 3-5%. For those risks that have an unsatisfactory loss history, their rates and premiums could skyrocket, especially if they cannot be placed in the Standard Admitted Market. Increases can be double or higher of what was previously paid and the deductible could also be significantly increased.

### Wood Frame and Other Non-Wind-Resistive Construction

Because of their construction, these risks have been insured in the Excess and Surplus Lines market with only one major local standard market. As a whole, these risks have had favorable steady rates for the past several years. With several of our major carriers not writing risks of this construction, and only a couple of carriers aggressively writing these risks, we are beginning to see a hardening marketplace. We anticipate rate increases of 2-5% as the year progresses, which doesn’t include increases in values due to inflation. For those risks with adverse loss histories, the same issues as the Fire-Resistive risks would arise—the increases would be significant with rates doubling and deductibles significantly increasing at the same time.

### National Flood Insurance Program

After the Biggert-Waters Act in 2014 and the Flood Affordability Act in 2016, we have seen significant increases in the National Flood Insurance program. Unfortunately, the rates will continue to increase since the Flood Insurance Program is still “underwater” and the premiums are not adequate to cover losses. Congress just renewed the National Flood Program for another

*Continued on Page 54*

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# Master Insurance Policy Won't Cover Everything

An HO-6 policy covers unit owners in ways the association policy will not

Condominium ownership is on the rise, but are unit owners properly protecting their assets? Many believe that securing an individual condominium insurance policy is unnecessary when buying a townhome or apartment if there is an existing master insurance policy in place.

Condominium unit owners are in a unique situation. The building is covered by the association's master policy, but personal belongings and any interior upgrades or additions to a unit are not covered unless the unit owner has a condo insurance policy, or HO-6.

## Here are a few examples of how an HO-6 protects the condominium owner and their unit:

**1. An HO-6 will provide peace of mind** that a new home entertainment system, refrigerator, computer, flooring, countertops and cabinets will be covered in the event of theft, vandalism, fire or natural disaster.

**2. An HO-6 will also provide personal liability coverage** should an unfortunate accident occur. For exam-

ple, property repairs for a water leak causing damage to another unit below or medical payments for an injury to a guest while visiting the condo.

**3. An HO-6 will cover loss of use**, providing living expenses for room and board in the event the unit is unlivable due to a peril such as fire. Loss of rental income coverage may also be reimbursed for the same reasons if the unit was tenant-occupied.

**4. An HO-6 will cover loss assessment** in the event the association master insurance policy charges a portion of a covered loss in a common area to each owner.

*The building is covered by the association's master policy, but personal belongings and any interior upgrades or additions to a unit are not covered.*

New and existing condominium owners can secure themselves with the confidence that their home and most precious valuables are protected should the unforeseen occur. For more information on condominium insurance coverage and the personal assistance needed to customize a protection plan, contact an insurance agent today. ❖

*Leilani Yee is an insurance agent with 10 years of experience in providing a complete range of affordable and comprehensive insurance plans. She is an active member of the National Association of Insurance and Financial Advisors. Reach her at 487-0628 or [Leilani.Yee@libertymutual.com](mailto:Leilani.Yee@libertymutual.com).*



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# Are Your Renters Sufficiently Covered?



Tim Dayton

## HO-6 and HO-4 policies ensure condo residents' coverage

Finding the right insurance coverage can be overwhelming. When it comes to property insurance, there are many different policy types, limits, exclusions and perils to worry about. The two types of policies most relevant for property managers are renter's insurance and condo insurance.

### Renter's Insurance

Often called an HO-4, this policy is for when you live in a residence that you do not own. The purpose of a renter's policy is to protect both the personal property and liability of the insured, but not the structure itself. Protecting personal property is easy

to understand. If your possessions are stolen, damaged or destroyed in a covered loss, the personal property protection will pay to replace the damaged or stolen belongings. More complicated is the liability protection that the policy provides. Imagine that you invite your neighbor over for dinner. They end up slipping and falling in your kitchen and suffer a serious injury. They would be able to sue for the medical bills they receive and for their pain and suffering. This type of loss would be covered by the liability coverage. Additionally, there are limits or exclusions to certain types of losses, typically such as a \$500 limit on jewelry

and watches, although additional coverage can be purchased.

Many people do not think they need a renter's policy because they don't have a lot of personal belongings. The greater risk these days is the amount of loss that can occur due to medical bills and legal bills. Because it protects both personal property and liability, anyone who rents a home, condo, townhome or apartment should have an HO-4 policy in place.

### Condo Insurance

Also called an HO-6, this policy covers both condominium and townhome owners. This type of ownership is a more complex situation because there

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isn't a single policy that covers the entire structure, its contents and liability. The role of the property manager in this situation is to act as a bridge between the association and the individual owner to properly cover all aspects of the property. This type of policy will provide the same protection that the renter's policy does, while also adding coverage for the dwelling itself.

Once the HO-6 is in place, a property manager will want to be listed as a Certificate Holder on the policy. This will ensure that the property manager will receive a copy of the HO-6 insurance at each renewal in addition to any cancellation notice as well. Having an updated copy of the HO-6 will also allow the property manager to notify the customer of any coverage changes they should make if the association master policy is adjusted in terms of coverage or deductible.

## Covered Perils

Regardless of which policy is relevant for your situation, both the HO4 and HO6 are named-perils policies. This means that only the listed perils are covered for a loss. If it isn't listed, it isn't covered. Both policies have the same 16 losses listed:

1. Fire or lightning
2. Windstorm or hail
3. Explosion
4. Riot or civil commotion
5. Aircraft
6. Vehicles
7. Smoke
8. Vandalism or malicious mischief
9. Theft
10. Volcanic eruption
11. Falling objects
12. Weight of ice, snow or sleet
13. Accidental discharge or overflow of water or stream
14. Sudden and accidental tearing apart, cracking, burning or bulging
15. Freezing
16. Sudden and accidental damage from artificially generated electrical current

As property managers and owners, making sure that your residents and tenants have the right insurance policies in place will help reduce your exposure to potential losses and lawsuits. Encourage all of your residents and tenants to carry property

insurance. If it has been a number of years since they first purchased their policy, encourage them to check and see if they have enough coverage for their current situation. Generally speaking, people accumulate more property, not less, and the laptops, cell phones and iPads probably aren't accounted for if they purchased their policy 15 years ago.

The best way to navigate the complex and complicated property insurance market is to reach out to a professional, licensed agent. A licensed agent can quickly assess what policy is

needed for the situation, find the right company that offers the needed and necessary coverage at the best price, and provide professional advice and recommendations. ♦

***Tim Dayton** is the branch director of the GEICO Insurance Agency in Hawaii. He has been licensed to sell property and casualty insurance since his arrival in Hawaii in 1988. GEICO is one of the largest agencies for property insurance in the state. For a quote, call 1-800-841-3000, then option 2 for sales and option 3 for property insurance.*

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# You Have a Dispute with Your Board: What Can You Do?

Try mediation and arbitration before going to court

You have a visual impairment and, to make it easier to get around, you want to install wood floors in your unit. But your board is not responding to your requests for directions or for approval.

Or you have concerns about the board's spending of association funds and request copies of board meeting minutes and financials, but the board stonewalls and ignores your requests.

Or you complain to the resident manager about water leaking into your apartment from a bathroom flood in the unit above yours, and you get no response or the response does not address your concerns.

What do you do?

Hawaii Revised Statute 514B§161 provides for mediation of disputes and HRS 514B§162 provides for arbitration of disputes.

## Mediation

There are two kinds of mediation.

In facilitative mediation, trained mediators (i.e., neutrals) meet with the parties and assist them in finding a resolution that is in the best interest of all parties.

In evaluative mediation, the trained mediators have expertise in Hawaii condominium law and will apply the law to the facts and provide a written assessment to the parties as to the



You can start mediation by contacting the Mediation Center of the Pacific (521-6767) or Dispute Prevention Resolution Inc. (523-1234).

managing agents.

**What issues can be mediated?** Any dispute that involves the interpretation or enforcement of the AOA's

*Hawaii leads the nation in claims against AOA directors and officers policies, and the number of claims affects insurance premiums charged to AOAs throughout the state because we are all in the same coverage pool.*

strengths or weakness of their respective positions, and use that to get the parties to agree to a mutually agreeable resolution. Evaluative mediation is subsidized by the State of Hawaii real estate commissions.

Under evaluative mediation, the parties pay for the first hour (\$175-\$400) of the mediation, and the DCCA will pay for the balance.

**Who can participate in mediation?** Owners, boards, directors and

declaration, by-laws or house rules.

**Does an owner need an attorney to participate in mediation?** No.

## Arbitration

This form of dispute resolution is like

a trial in a lawsuit. A trained arbitrator (i.e., a retired judge or attorney selected by the parties) will hear witnesses and review documents, apply Hawaii law to the facts and make a decision to resolve the dispute. The arbitration will be required to follow the State arbitration rules under HRS Chapter 658A, but the Hawaii Rules of Evidence will not apply. The arbitration is non-binding, which means that the party who loses can appeal the arbitrator's decision to the circuit court and get a trial de novo, a "new trial."

In 2018, Act 196 allowed for subsidized voluntary binding arbitration, but parties are required to participate in evaluative mediation before they can do the voluntary binding arbitration.

**Who can participate in arbitration?** Owners, boards and managing agents.

**What issues can be arbitrated?** Any dispute that involves the interpretation or enforcement of the AOA's

declaration, by-laws or house rules.

**Does an owner need an attorney to participate in arbitration?** No, but it would help.

## Litigation

You can file a lawsuit in circuit court. This should be a last resort because it is very expensive, time consuming and requires you to have an attorney (unless you are an individual and will be representing yourself). Also, because of HRS 514B 161 and 162, if you file a lawsuit without first attempting to resolve the dispute by mediation or arbitration, the court may deny you an award of legal fees if you are the prevailing party. Finally, if you file a lawsuit against the board and you lose, the court can award the board all legal fees and costs incurred in the litigation and this will become a judgment against you for 10 years.

## The Takeaway

If you have a board that ignores or

fails to address claims by their owners, you need to persuade other owners in your association to take action to remove those board members, who all have a fiduciary duty to the association, of which you are a member. Not addressing legitimate owners' concerns is a breach of the board's fiduciary duty, and board members who breach their duty can be held personally liable for any damage or loss resulting from their conduct.

Hawaii leads the nation in claims against AOA directors and officers policies, and the number of claims affects insurance premiums charged to AOAs throughout the state because we are all in the same coverage pool, and an increase in insurance premiums means an increase in the maintenance fees that are ultimately passed on to all of the owners. ♦

*Jane Sugimura is a Honolulu attorney specializing in condo law. Reach her at [ysugimura@paclawteam.com](mailto:ysugimura@paclawteam.com).*



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Paul Ireland Koftinow, Anderson Lahne Fujisaki; Dana Bergeman, Bergeman Group; Michael Ayson, Insurance Associates; Lance Fujisaki, Anderson Lahne Fujisaki.

## HCCA Luncheon Seminar

PHOTOS BY BARRY REDMAYNE

*"The How To of Contracts"* was the theme of the Hawaii Council of Community Associations' lunch seminar Aug. 2 at the Hale Koa Hotel.

Speakers included **Dana Bergeman**, who brings over 25 years of industry experience in architecture, engineering and construction.

**Mike Ayson** and **Sue Savio** of Insurance Associates covered the needs of insurance and bonding during your project.

**Lance Fujisaki** of Anderson Lahne & Fujisaki explained why an attorney needs to review your contracts and legal requirements before you sign a contract.

**Paul Ireland Koftinow** spoke on board of director responsibilities and fiduciary duties.



Joy Schoenecker, Mauna Luan; Jane Sugimura, Clay Chapman Iwamura Pulice & Nervell.





Chery Key, Sandie Wong, Raelene Tenno and Charlie Carroll, HCCA.



Mike Hartley, Hawaiiana Management;  
Christine McGuire, Mutual of Omaha.



Erik Fairfax and Dirk Yoshizawa, Bank of Hawaii.



David Mitsushita, Newtown Meadows; Marni Ramirez, Capitol  
Place; Tod Wheeler, Ace Managerial; Edward Gatz, Palms.



Pamela Schell, Phillip Lahne and Mary Anne Anderson, Anderson Lahne Fujisaki.



John Gerodias, Harbor View Plaza; Kelly Delmar  
and Tammy Segawa, Hawaiiana Management.



# Maui Association Trade Show Set for Nov. 8

It started in 1991 with a small gathering at Harvey Janis' Maalaea condominium. The group formed what they called the Condominium Council of Maui, with the intention of "providing Maui's association community with opportunities for networking, education and advocacy."

Today, 28 years later, it's still CCM, but known as the Community Council of Maui, and 171 condo associations are members, involving over 500 people. Harvey Janis is still involved as director emeritus. Another founder, Robert Miskae, is still a board member and serves as treasurer.

On Nov. 8, CCM hosts its annual trade show, with 45 vendors sponsoring tables. The theme is plumbing and piping.

"Our goal is still the education of board members and building manag-

ers," says Lisa Cano, CCM board chair and Associa vice president of operations on Maui. "I think we've succeeded because we keep our personal opinions out of things and focus on what's best for our members and their associations. Nobody gets involved in politics or self-promotion. We feel an obligation to keep our good reputation."

In addition to the trade show, CCM hosts six educational seminars annually with topics ranging from board governance and director liability to insurance, permitting, accessibility, construction and other topics relevant and timely to Maui's community associations.

CCM also has an eye on the future, and recently gave a \$25,000 endowment to Maui Community College to educate Valley Isle students about the building



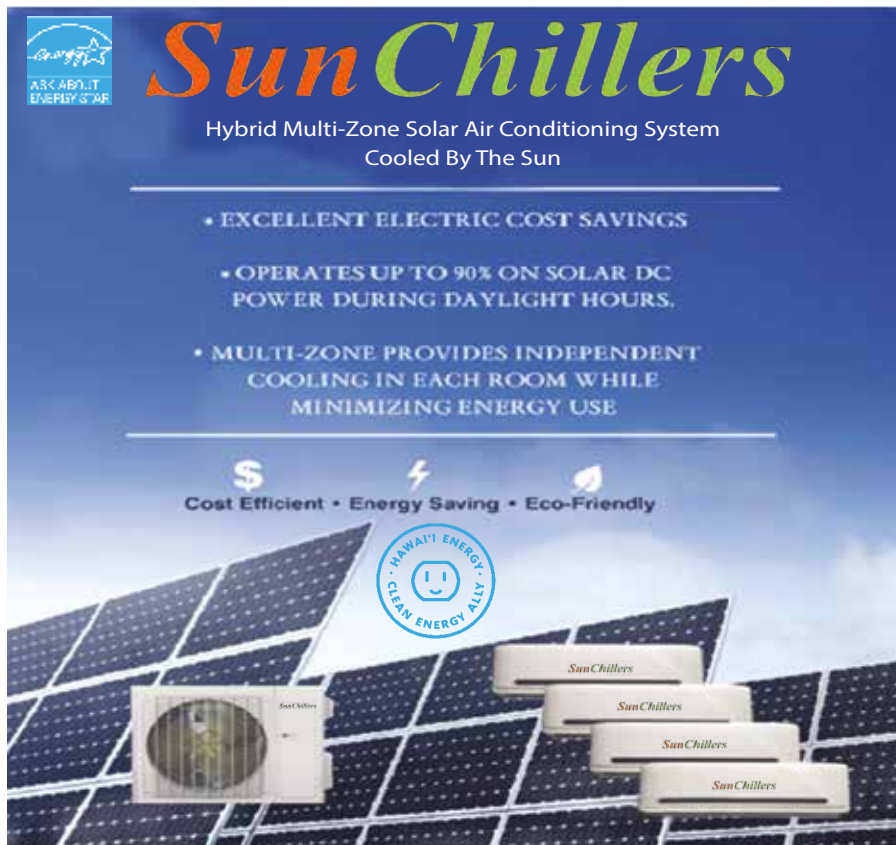
Lisa Cano



management industry. Classes, Cano says, were chosen by a committee of the CCM board and include basic accounting, landscaping, carpentry and plumbing.

The trade show next month happens at the King Kamehameha Golf Club. A "vendor blender" begins at 8 a.m. and the seminar at 9. Cost for non-CCM members is \$75.

For more information, go to [ccm-maui.com](http://ccm-maui.com).



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## Upcoming MRMA Meeting

The next MRMA meeting is Thursday, October 10th at the Waikiki Yacht Club, noon to 1 p.m. Be sure to save the date!

Mike Ayson of Insurance Associates will be talking about "Claim Scenarios and How to Handle Them." and Damien Enright of Structural Systems will speak on "New Technologies for Spall Repair and Guardrail Replacement Projects"

Go to [mrma.org](http://mrma.org) for more information.



# Condo Sales Dip; Ae'o Suit Settled

BY DON CHAPMAN

Blame it on the "dog days of summer," or whatever, but condo sales statewide were down in August.

Maui County condominium sales in August dropped 22%, to 117 from 149 a year earlier. The median condo sale price slipped 1%, to \$496,950 from \$500,000 in the same period.

Sales of Oahu condominiums in August were slightly down over the previous year, from 521 to 512, a 1.7% decrease. The median cost was down 1.8%, from \$427,000 to \$419,500.

On Kauai, condo sales fell 36.1%, from 36 to 23 from August 2018. But the median rose 32.4%, from \$440,000 to \$582,500.

And on the Big Island, condo sales also dropped, by 6.3%, from 80 to 75. The median was down 1.5%, from \$332,000 to \$325,000.

The median is the price point at which half of condos sold for more and half for less. Sources include the Honolulu Board of Realtors, Kauai Board of Realtors, Realtors Association of Maui and Hawaii Island Realtors.

## In other condo news:

- A contentious \$49 million legal dispute involving construction of the Ae'o condominium tower in Kakaako has been settled, apparently amicably.

Howard Hughes Corp., developer of the 38-story, 466-unit condominium, announced the settlement along with Layton Construction, the project general contractor. Layton had filed suit late last year, claiming it was owed \$49 million in unpaid bills for the \$359 million project. Hughes responded by saying it was "grossly overcharged" for work done on Ae'o. About 20 subcontractors, which had done much of the work, filed their own complaints against Layton and Hughes. All these issues were settled, Layton and Hughes said in a joint statement, saying "both parties are pleased," but they did not divulge terms of the settlement.

- Hughes Corp. announced plans to build its seventh Kakaako tower, Victoria Place. The 40-story tower would include 350 units at an average price of \$1 million. Construction cost would be \$374 million. Hughes hopes to begin sales early next year.



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From Page 15

**Q: Walking around the property with you, I'm amazed by all the plants and the art.**

Our "first resident" was the hala tree in the center of the port cochere. Duncan MacNaughton, a senior adviser, found it in Waimanalo—he went all over looking for the perfect hala tree. They planted it and named it Park Lane's first resident. I was second. In all, we have approximately 600 trees on-site, along with many lush areas filled with beautiful landscaping.

We have 530 pieces of original art. I've been told we possibly have more art in a residential building than any other residential development.

**Q: With what people pay to buy a unit here, you must have an interesting board.**

Yes, we have nine board members, and they're very diverse and successful people. It's a great meeting of the minds, highly intelligent and very supportive of me and my team. It's an awesome board, I can't speak highly enough of them.

**Q: I don't think I've ever before interviewed someone who smiles throughout the interview.**

I've been smiling since I came out of my mother's womb. No matter what job I have, I truly enjoy it and definitely make the most of it. It is also because of my Christian faith that fuels me each and every day to forge ahead. ♦

From Page 42

five years, but not without extensive debate on how to improve the adverse loss history. We would estimate that the average rate increase will be around 5%. For risks in "high hazard" areas, the increase can be much higher.

## Directors' and Officers' Liability

Since many associations have been seeing significant rate increases starting with the January renewals, raising rates will be no surprise. For those associations who renew later in the year, they can anticipate rate increases between

10-80% from the largest market for D&O. Other carriers are also beginning to increase their rates, but not as significantly. This is due to some rather large lawsuits that have hit Hawaii over the past couple of years (two of the suits were over \$2 million and there is a class action suit involving over 70 associations). This has caused an adverse loss ratio with several of the major carriers, and rates for these carriers are increasing. One of the major writers of D&O is including an exclusion for class-action law suits. Since the amount of increase in rates is determined by various individual factors, it is hard to predict an average increase.

## Umbrella Liability

Umbrella carriers are being more selective and in some cases are not renewing risks such as non-sprinklered high-rise buildings or risks with a lot of short-term rentals. For those risks that do not have these issues, the overall umbrella renewal will be flat, but for those risks that are non-sprinklered or have a high percentage of short-term rentals, carriers are now asking a lot more questions and in some cases are not renewing, which puts the risk out into an adverse market. This would cause premiums to significantly increase.

The above are just overall predictions. As a word of caution, the insurance market continues to be volatile with major swings possible, especially if there are any catastrophic losses or you have an adverse loss history. ♦

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