

**Hawaiian Paradise Park Owners Association  
Meeting of May 20, 2009  
Minutes**

**I. Call to Order.** President Jeff Spaur called the meeting to order at 6:00 pm.

**II. Roll Call.**

Board of Directors: Jeff Spaur, President; Frank Annin, Vice President; Bob Rainie; Randy Dresselhaus; Ken McGilvray, Treasurer; Kaniu Kinimaka-Stocksdale, Secretary.

Guests: Erhard Autrata; Jerry Carr; June Conant; David Cronister; Terri Cronister; David Fithian; Mahina Gronquist; Roger Hanson; Michelle Higgins; Charles Langlas; Dorcas Liu; Gerry Madie; Keone McAllister; Marti Morishige; William Newman; Thomas Nickerson; Sabry Shehata; Rod Thompson; Chuck Webb; Robin Wright

**III. Approval of Agenda.**

It was clarified that the agenda item, "Paving Phase II and overlays of the main roads," includes the four miles of cross roads (Phase II) and the overlays of the main roads with the radiuses and aprons (Phase III).

Kaniu Kinimaka-Stocksdale asked that the items with guest speakers be moved to the point just following Owner Input. Those items were originally items IX, A and B.

An item related to a restroom in the shop area was added to new business.

Dale Watson asked for an update on the Dexia proposal.

*The revised agenda was approved by consensus.*

**IV. Owner Input.**

Robin Wright referred to three motions passed by the Board of Directors in January 2008 relating to the motions tracking log, a binder containing roads related policies and procedures, and an assessment of the efficiency of roads related policies and procedures. She asked for a status report on each of these items, and requested that the Board reinstitute the motions tracking log. The Board said that there should be answers for Robin's concerns in place by the next General Membership Meeting.

Dorcas Liu asked for a clarification of the four roads that were mentioned in the discussion of the agenda. Ken McGilvray said that those roads are one more mile of 19<sup>th</sup>, Paradise to Kaloli; two miles of 16<sup>th</sup>, Maku'u to Kaloli; and one mile of 1<sup>st</sup> from Maku'u to Paradise. She asked for the rationale for paving these roads. Ken McGilvray recapped the discussions that had taken place at several board meetings related to these roads. He said that there are no decisions related to the rest of the roads.

Erhard Autrata proposed that management of the association be put out for bids.

Michelle Higgins asked if the position (of General Manager) in the past been a bonded individual. Jeff responded that it had not been.

Marti Morishige said that she is happy about the pavement on 22<sup>nd</sup>. She also stated that she attended one of the State Roads meetings, where it was indicated that there would more lanes on Highway 130 up to Shower, with a traffic light at Shower and Highway 130. She is concerned that people will turn from 130 onto Shower during the afternoon commute and will use the paved cross roads as an alternative to the resulting merge on 130 back into two lanes. She asked that speed bumps be considered on 22<sup>nd</sup>. Ken McGilvray said that there is a policy on speed humps and she could pick up a copy at the office. Part of this requires that a certain number of neighbors agree to speed humps and that the neighborhood members pay for the speed humps. Then HPPOA will arrange for the speed humps, including all signage and painting.

There was a question about how much speed humps cost. Ken McGilvray said that someone estimated about \$2000 or \$3000 each.

**V. New Business – Part I.**

A. Cultural concern Kipuka on 17<sup>th</sup>. Kaniu Kinimaka-Stocksdale introduced Mahina Gronquist who introduced Charles “Kale” Langlas, who is a member of the Anthropology Department and Chair of the Hawaiian Language Masters Program. Kaniu Kinimaka-Stocksdale stated that we are hoping that Dr. Langlas’ and other students may help survey the area that is being considered for the park to ensure that areas that are culturally sensitive are appropriately preserved. Dr. Langlas addressed the area that is being considered for a County park. He suggested that, before any firm plans are made for a park, a survey be considered. Such a survey would provide information for incorporation in our plans. Frank Annin reminded all that the County will be the one who builds the park as HPP does not have the funds for it. The County will, however, work with HPP to plan and construct the park. There was a preliminary environmental impact study done, but HPPOA has not yet been provided a copy. Dr. Langlas suggested involving the program at the Community College, as well as Dr. Peter Mills, who is Chair of the Anthropology Department at UH Hilo.

Dr. Sabry Shehata, a professor of agricultural economics at UH Hilo, also spoke. He explained his philosophy relating to use of the land, including learning from the kupuna about how to use our Hawaiian land.

Mahina Gronquist noted that the area was surveyed in 1985, and that the survey showed some areas as being either prehistoric or early contact, and a prime example of dry-land agriculture surrounded by pristine stone walls. This may provide a rich area for study of how the early Hawaiians used soil and nutrients, and how we use that information in modern day agriculture. She asked that HPPOA look at this land as a precious asset to be preserved for our children.

B. Malamalama School. No one from Malamalama School was present at the meeting.

**VI Minutes.**

A. Minutes of the regular meeting of the Board of Directors of April 15, 2009.

*The minutes of the Regular Board Meeting of April 15, 2009, were approved by consensus.*

B. Minutes of the Special meeting of the Board of Directors of May 5, 2009.

*Ken McGilvray moved that the minutes of the special meeting of the Board of Directors of May 5, 2009, be approved. Kaniu Kinimaka-Stocksedale seconded the motion. The motion was approved unanimously.*

**VII. Committee Reports.**

A. Budget Committee. Ken McGilvray presented a work sheet from the Budget Committee. He stated that the budget has not yet come out of committee. He said that he understood that the budget needed to be included in the newsletter (Conch) published in June. He suggested that the Board could approve the Budget as shown and then revise it later or it could be approved at the June meeting. Frank Annin said that the June meeting would be too late given the schedule of the Conch. That has to go out 30 days prior to the general membership meeting.

Ken said that the budget so far includes a projected income of \$2,212,656. The concerns at the present are depreciation, salary costs and employee payroll taxes. We are going through payroll reports and we are fairly close to completing the research. At present we are showing total expenditures of \$2,202,432, with a net income of \$10,224. However, our bond trustee requires a 110% income to expense ratio, and the \$10,224 is not sufficient for that. If you pull depreciation, which is not a cash-flow expense, out of the expenses, it shows expenses as \$1,902,432, which is 114% income to expense ratio, which puts us into compliance as far as the indenture is concerned. However, the accountant has suggested that, while we can approve any budget we wish, we should send to the trustee a cash flow budget. We would show depreciation, but we would show it below the line.

*Dale Watson moved that the Board approve the budget as presented, noting that we can make revisions later based on recommendations of the committee. Frank Annin seconded the motion. The motion was approved unanimously.*

Among the items discussed were the funds available for materials. Ken stated that there is \$325,000 for materials in the coming year. The current budget had \$300,000.

B. Neighborhood Watch. Jerry Carr distributed a report, including the history leading up to the change in leadership. He stated that the Neighborhood Watch in the community has not been as energetic or active as the community would have liked and the new committee wants to correct this. Among the items Jerry discussed were:

- The committee has magnetic signs for cars, and has received a grant to purchase more materials.
- There is a budget and the committee will be working within that budget.
- There will be a website including information about crime in the area.
- There will be block captains, with localized groups of people to carry out the mission of the Neighborhood Watch. There is already a group at Paradise Ala Kai, and they will be working with the Neighborhood Watch and it is hoped that they will form the basis as an example for other such groups in HPP.
- The committee is working on some ideas for fund-raising opportunities. He said that the committee would like to begin reimbursing patrollers for mileage due to the increased cost for gas, but it needs funds to enable that to be done.

C. Coqui Committee. There was no report from this committee.

**VIII. Treasurer's Report**. Ken McGilvray presented the report for both March 31, 2009 (this is a recap with all data included), and for April 30, 2009.

Total Bank Checking/Savings Balances:	\$1,420,912.04
Total Investments:	\$162,176.14
Total checking/savings and construction bond funds:	\$11,734,714.15

Monthly income for April was \$95, 506.79 and expenses were \$51,127.20. Notable expenditure items were: Signage (\$7,353.52); Merchant Service Fees (\$3,097.67); Repair and Maintenance on Equipment (\$9,479.09); and Payroll Services, which includes two months of expenses (\$3,052.37). Randy Dresselhaus confirmed that the merchant service fees are the credit card fees. He suggested that we might want to consider someone who does not charge such high fees, including Costco.

Ken also noted that, in the previous day's newspaper, there were 19 properties in HPP that are in foreclosure and will go into sale in early June. We will recover some funds from those sales. There were four lots sold in November and we are about to receive the money from that.

Jeff asked how we compare with last year's collections. Ken said that we are doing well. He also noted that, for our income projections, we have been using a percentage of a certain number of lots. However, the number of lots may be higher than what we are using for those projections, so our projected income numbers may be too low, which is a good thing for this year's numbers. He will be researching this further.

*The Treasurer's report was accepted.*

**IX. Unfinished Business**

A. Paving Phases. Dale Watson reviewed the amounts of the bids for Phase II. He said that Loeffler's bid is the low bid and we have been very happy with his flexibility in the current projects.

*Dale Watson moved that William Loeffler be awarded the bid for the Phase II roads (one mile of 19<sup>th</sup>, Paradise to Kaloli; two miles of 16<sup>th</sup>, Maku'u to Kaloli; and one mile of 1<sup>st</sup> from Maku'u to Paradise). Bob Rainie seconded the motion. The motion was approved with Jeff Spaur and Kaniu Kinimaka-Stocksdale abstaining.*

Kaniu Kinimaka-Stocksdale asked about our history with using Yamada for paving. She said that supervision during the Loeffler construction was poor, and she wondered what would be done going forward. Frank Annin noted that our engineer is going to provide supervision as agreed in a previous board meeting. Kaniu also said that she would like to use another contractor. Frank Annin referred to a 2004 Board decision that bids should be awarded to the lowest responsible bidder. Dale noted that the Yamada bid has quite a few exclusions. Loeffler is the only company who bid it as we asked it, without exclusions. Dale said further that we need to maintain the paved roads better than we have in the past to keep the roads lasting longer.

The next discussion was for Phase III, the overlays of the mauka-makai roads. Frank Annin reviewed the bids. The lowest bidder was Loeffler.

*Ken McGilvray moved to accept the bid from Loeffler Construction for the overlays, aprons, extensions and radiuses to be repaired throughout HPP. Randy Dresselhaus seconded motion. The motion was approved unanimously.*

Part of the discussion dealt with the timing of the Loeffler paving. Bob Rainie said that they were on time with Phase I. Jeff Spaur said that he was concerned with Loeffler having both contracts concurrently. The Board agreed that it was Loeffler's responsibility to deal with that issue. There was also a discussion of road closures. Dale also noted that Yamada and Glover had a lot of exclusions. Ken McGilvray noted that the difference in the Loeffler Contract was \$0.85/sq. yard. Yamada's price was \$2.30/sq. yard. Glover's price was \$3.65/sq. yard. The engineer called Honolulu and found that the supplier is charging about \$0.45/sq. yard. So Loeffler is making some money on this, but the others are making more money. Bob Rainie noted some discrepancies in the Yamada contract proposal.

- B. Regional Town Center Grant. There was no discussion of this item.
- C. Charter School Application. Dale Watson asked if this would be on one of the 20-acre parcels or in a home. Jeff Spaur said that it is one of the 20-acre parcels. Bob Rainie has asked to see the engineering plans. There was no further discussion.
- D. Dexia Proposal. Jeff Spaur said that the decision was made to get our accounting processes in order before we approach Dexia again.

**X. New Business Part 2.**

A. Amendment of HPPOA Special Use Permit: HPPOA Kitchen. Kaniu Kinimaka-Stocksdale reported that she is working with a planner at the County. As background, the planned had found that the original special use permit for our facilities did not include approval for renting them out. She suggested that we prepare an addendum to our Special Use Permit for the Planning Commission. Kaniu said that we have made some major improvements recently and we will have an inspector review our kitchen prior to our filing our addendum. Kaniu will work on ensuring that the filing is done properly.

B. Proposal for BOD meeting summary. Jeff Spaur reviewed the meeting summary proposed by the recording secretary.

*Jeff Spaur moved to adopt the meeting summary format prepared by the Recording Secretary for publication on the website within a week after each Regular Board meeting. Kaniu Kinimaka-Stocksdale seconded the motion. The motion was approved unanimously.*

C. General Membership Meetings Owner Input. Kaniu Kinimaka-Stocksdale said that this was an effort to get ready for the June membership meeting. The board reviewed the summary provided. Frank Annin said that most of this was responded to at the membership meeting.

D. OSHA Requirements. Ken McGilvray had asked Clyde to research costs for an eyewash and hand wash station. The staff deals with pesticides as well as fuels, and this really needs to be done as soon as possible. He asked that the Board give Ken McGilvray the authority to research what needs to be done spend up to \$12,000 for this purpose.

*Ken McGilvray moved that we allocate \$12,000 for the creation of a restroom in the shop area with eyewash station, toilet, sink and shower. Dale Watson seconded the motion. The motion was approved unanimously.*

**XI. Announcements.**

A. The next meeting of the Board of Directors is June 17, 2009.

B. Jeff Spaur announced that he will be in Germany for the next meeting. He thanked the Board for their work during the year.

**XII. Adjournment.** The President adjourned the meeting at 8:00 pm, with the Board going into Executive Session.

Respectfully submitted:

---

Robin Messenheimer, Recording Secretary

---

Kaniu Kinimaka-Stocksdale, Board Secretary

### **Motions Log**

*The revised agenda was approved by consensus.*

*The minutes of the Regular Board Meeting of April 15, 2009, were approved by consensus.*

*Ken McGilvray moved that the minutes of the special meeting of the Board of Directors of May 5, 2009, be approved. Kaniu Kinimaka-Stocksdale seconded the motion. The motion was approved unanimously.*

*Dale Watson moved that the Board approve the budget as presented, noting that we can make revisions later based on recommendations of the committee. Frank Annin seconded the motion. The motion was approved unanimously.*

*The Treasurer's report was accepted.*

*Dale Watson moved that William Loeffler be awarded the bid for the Phase II roads (one mile of 19<sup>th</sup>, Paradise to Kaloli; two miles of 16<sup>th</sup>, Maku 'u to Kaloli; and one mile of 1<sup>st</sup> from Maku 'u to Paradise). Bob Rainie seconded the motion. The motion was approved with Jeff Spaur and Kaniu Kinimaka-Stocksdale abstaining.*

*Ken McGilvray moved to accept the bid from Loeffler Construction for the overlays, aprons, extensions and radii to be repaired throughout HPP. Randy Dresselhaus seconded motion. The motion was approved unanimously.*

*Jeff Spaur moved to adopt the meeting summary format prepared by the Recording Secretary for publication on the website within a week after each Regular Board meeting. Kaniu Kinimaka-Stocksdale seconded the motion. The motion was approved unanimously.*

*Ken McGilvray moved that we allocate \$12,000 for the creation of a restroom in the shop area with eyewash station, toilet, sink and shower. Dale Watson seconded the motion. The motion was approved unanimously.*