

**Hawaiian Paradise Park Owners Association  
Minutes of March 18, 2009**

**I. Call to Order.** President Jeff Spaur called the meeting to order at 6:01 pm.

**II. Roll Call.**

Board of Directors: Jeff Spaur, President; Dale Watson; Bob Rainie; Randy Dresselhaus; Ken McGilvray, Treasurer; Ron Vizzone; Kaniu Kinimaka-Stocksedale, Secretary. Morgan Sky and Clyde Wheatley, members of the staff, were also in attendance.

Guests: Bobbie Alicen, Erhard Autrata, Walter Bell, June Conant, Dave Cronister, Terri Cronister, Puna Ferreira, David Fithian, Joan Galante, Frances Ganon, Roger Hanson, Michelle Higgins, Barbara Kahn-Langer, Dorcas Liu, Dean McKinsey, Peggy McKinsey, Darla Moe, Walter Moe, Jim Seiler, Rod Thompson, Bill Watkins, Robin Wright, Curtis Yamada

**III. Appointment of Board Member to Fill Current Vacancy in District 8.** There were two self-nominations to fill the Board Vacancy, Dorcas Liu and Rod Thompson. Each stated the reason they were interested in filling this vacancy. After this, Dorcas Liu withdrew her nomination.

*Ron Vizzone moved to accept the nomination of Rod Thompson to fill the District 8 vacancy on the Board of Directors. Randy Dresselhaus seconded the motion. The vote was 3 in favor, 3 opposed, with Jeff Spaur abstaining. The motion failed.*

*Kaniu Kinimaka-Stocksedale moved that the issue of the Board Vacancy be revisited. Ron Vizzone seconded the motion. The motion passed with Dale Watson, Bob Rainie, and Ken McGilvray voting against the motion.*

*Kaniu Kinimaka-Stocksedale moved to accept the nomination of Rod Thompson to fill the District 8 vacancy on the Board of Directors. Ron Vizzone seconded the motion. The motion passed with Dale Watson, Bob Rainie, and Ken McGilvray voting against the motion.*

President Jeff Spaur administered the oath of office and Rod Thompson took his seat on the board.

**IV. Approval of Agenda.** The following changes to the agenda were approved:

In item X.A. the phrase “Review of Bids” was added.  
The following items were added:

- X.E. Added Traffic Burden Fees
- X.F. Road Maintenance
- XI.B. Security

- **XI.C. Morris Request**

Bob Rainie also asked that the Bylaws Review Committee Report be added to the Committee Reports. It was noted that their current report was to be covered under New Business, item XI.A.

**V. Owner Input.**

Francis Ganon asked the status of the Speed Bumps/Speed Humps. Jeff asked that Francis and his neighbors prepare a written proposal for the Board to review.

Michelle Higgins noted that the road signs along the main roads are very dirty and many are unreadable at night, which is a safety issue. She asked why maintenance of the street signs is not in someone's job description and why this is not being done. Jeff Spaur said that he would have answers for Michelle by Tuesday (March 24<sup>th</sup>).

David Fithian said that several homeowners have removed debris and weeds from Beach and K. He asked road maintenance assistance in poisoning the remaining plants so that that corner remains clear for safety in making the turn at the corner.

Barbara Kahn-Langer reported that the two Bylaws committees are working together to minimize the cost of the mailings from the Bylaws committees.

Dorcas Liu said that whoever is doing the mowing needs supervision because the blade is being held too high for any mowing to be accomplished. Barbara Kahn-Langer confirmed this impression.

Jim Seiler said that the grader makes a mess with the lava rock on 27<sup>th</sup>. He said that he doesn't understand why the "easy" part of 27<sup>th</sup> was paved, and why 19<sup>th</sup> was being paved.

Erhard Autrata said that he believes that the side arm for the mower is not being used properly.

**VI. Approval of Minutes.**

Minutes of the regular meeting of the Board of Directors on February 18, 2009. Morgan Sky noted that the wrong name had been used in one section. The name should have been Steven Gortler.

*Ken McGilvray moved that the minutes of the meeting of February 18, 2009, be accepted with the change noted. Kaniu Kinimaka-Stocksdale seconded the motion. The motion was approved unanimously.*

Minutes of the special meeting of the Board of Directors on March 17, 2009. Robin read the minutes of the meeting. It was noted later in the evening that the written minutes should not contain the dollar amounts of the bids.

*Ken McGilvray moved that the minutes of March 17, 2009, be accepted. Dale Watson seconded the motion. The motion was approved unanimously.*

**VII. Committee Reports.**

- A. Budget Committee. Ken McGilvray said that the budget is not yet out of committee, and he hoped to have it completed in April. He said that he will not be at the April Board meeting, so will present it for approval at the May 2009 Meeting.
- B. Neighborhood Watch. Ken reviewed the discussion from the February meeting regarding the Neighborhood Watch. He said that he thought that the Neighborhood Watch needed to be a Board Committee since the Board was being asked to receive funds on behalf of the Neighborhood Watch and monitor how they are spent.

*Ken McGilvray moved that the Board establish a Neighborhood Watch Committee and appoint a Neighborhood Watch Coordinator. Jeff Spaur seconded the motion. The motion was approved unanimously.*

- C. Coqui Frog Committee. Discussion of this committee was postponed to a future meeting.

**VIII. Treasurer's Report.** Ken McGilvray presented the Treasurer's report. Specific items of note were:

Total Bank Checking/Savings Balances:	\$771,058.56
Total Investments:	\$260,938.54
Total checking/savings and construction bond funds:	\$11,375,410.61

Ken explained that the Investments number remained low because funds from a CD that had matured have been left in a Money Market account as it is paying better than a CD at this point. He also noted that the payroll taxes for employees was high this month and did not know why at this point. He said that he assumed that more than one payment was included in this amount. There were also some expenses related to foreclosures related to 4 properties that had been included in a County tax sale. The owners have one year to reclaim their property. Whether they do or not, we will reclaim our expenses related to this as well as interest on the amount.

*The Treasurer's report was accepted.*

**VIII. General Manager's Report.** Morgan Sky presented a report of Road Fee payments to date this year. She stated that receipts this year are better than last year. She also said that she had three recommendations that General Manager, Suzanne Mayhew, would like presented: (1) that the Board set aside \$1 million to meet the covenants of the bond; (2) that the main roads with aprons be paved before others; and (3) that the bids for the

current project be sent back to the bidders for revisions before they are considered by the Board.

Morgan also noted that, in the past, the General Manager's report was an attachment to the minutes. She asked that this be done again.

*Ron Vizzone moved that the General Manager's report be included as an attachment to the minutes when they are posted on the website. Jeff Spaur seconded the motion. The motion was approved unanimously.*

Jeff directed that Morgan attach an electronic copy of the General Manager's report to the minutes when they are posted on the website.

## **IX. Unfinished Business**

- A. Next Phase of Paving—Review of Bids. There was an extensive discussion of the individual bids as well as a review of how the request for proposal had been developed. The discussion included input from several of the bidding contractors. The consensus was that there is some confusion resulting from the way the bids were written. Any further discussion was to be taken up in Executive Session.

Ron Vizzone asked about having his street, 6<sup>th</sup> Avenue, paved in the next section of paving, and presented a written explanation of his request. Among the issues involved are: (1) a child with asthma who has problems with the road dust; (2) because of its elevation, this street is above the tsunami zone and having this road paved could help in evacuation; (3) 6<sup>th</sup> street does meet the criteria as outlined in the bond as well as 1<sup>st</sup> and 16<sup>th</sup>.

There was a letter received from the Hoopers who expressed an opinion against paving 1<sup>st</sup> avenue due to a possible increase in drag racing and drug dealing, dumping, and overnight camping.

There was a question about where we are on the main road/intersection inventories. Ken McGilvray said that the inventory of intersections is done and has been forwarded to Ron Nickle. The main roads are now being inventoried.

*Jeff Spaur moved that the board direct Ron Nickle to complete the specification document and make paperwork ready for bids within 7 days after approval by the board. Dale Watson seconded the motion. The motion was approved, with Bob Rainie abstaining.*

There was a discussion about extending intersection stub outs to get to the top of a hill.

*Dale Watson moved that Clyde Wheatley and/or our designated inspector authority to extend stub outs to get to the tops of hills as they deem necessary. Randy Dresselhaus seconded the motion. The motion was approved unanimously.*

Ken asked the board to consider providing an inspector on our paving projects. Clyde is busy, with a small crew, and suggested that we consider hiring an inspector. This will be discussed further when the paving project resumes.

- B. HPP Township. Walter Moe made a presentation to the Board regarding the idea of HPP being designated a township. He challenged the Board to take this on as a project. This presentation was related to a resolution currently under consideration by the Hawai'i State Legislature, requesting the Governor to establish a task force to consider the establishment of townships or other political subdivisions to assist in the provision of infrastructure in private subdivisions. Kaniu Kinimaka-Stocksdale will provide materials related to this issue to the office so that it is available if anyone wants to have it. Information will also be put on the website.

*Ken McGilvray moved that the Board indicate its support of HCR #91. Dale Watson seconded the motion. The motion passed with Bob Rainie abstaining.*

- C. Discussion of Harbors at HPP Coastline. This item was removed from the agenda.
- D. Dexia Proposal.

Jeff Spaur read an e-mail from Brian Hirai, who is of counsel to HPPOA regarding the construction bond. He had received a phone call from Steven Gortler asking if Brian was authorized to work with him on the Dexia proposal. Brian said that he told Steve Gortler that he should send the Board a write up on the proposal.

There will be a phone conference with Dexia and Standard & Poor on Thursday. Dexia is concerned about our Income to Expense ratios, has looked at our audited reports, and has asked if we want to reduce our principle. There was a discussion of the amount of interest saved if we made this payment. Another option was to take part of the construction fund and put them in a reserve account. We have already put \$1 million in reserve. Ken McGilvray said it was his opinion that we don't have to put anything into reserve.

*Jeff Spaur moved the following resolution:*

*Whereas the HPPOA Board of Directors received the advice from Counsel, the Board directs counsel to ask Steven Gortler the following questions: (1) how much would be set aside in an escrow as proposed; (2) what restrictions on use would apply; (3) whether/how it would be used as a credit for purposes of our bond ratios; and (4) what financial test would*

*be used to trigger the release of the escrow. Ken McGilvray seconded the motion. The motion was approved unanimously.*

- E. Added Traffic Burden Fees. This item was postponed to be put on April's agenda.
- F. Road Maintenance. Bob Rainie said that he has been called by a constituent who has asked about concrete blocks around mailboxes. There has been no answer from the office regarding his own request for information. Dale also noted that the road maintenance crew is not scarifying potholes when they are attempting to fix them. Ken McGilvray noted that the financials show that no money was spent in February on materials and he stated that he does not understand that. It was also noted that one constituent had been told by the General Manager that the reason work was not being done was that the Board had reduced the budget.

**XI. New Business.**

- A. Proposal of Presentation of New Bylaws. June Conant said that Barbara Kahn-Langer, Walter Bell, and she are working together to try to save money in the Bylaws mailings. At this point, she is asking for funds to pay for services to draft and format the Bylaws. She recommended that the proposal for \$350 to pay Robin Messenheimer to draft and format the Bylaws be approved.

*Bob Rainie moved to approve the amount requested to pay for the drafting of the Bylaws Text. Jeff Spaur seconded the motion. The motion was approved unanimously.*

Ken McGilvray asked what account would be used to pay this. The committee noted that the payment would not need to be made until the project is completed, and that would be during the next fiscal year, and this could be accounted for in preparing the 2009-2010 budget.

- B. Security. Bob Rainie stated that security problems, especially at night, are increasing. There was a discussion about having street lights, such as there are in Ainaloa. Ron Vizzone said that Ainaloa had turned over their main road to the County and the County had installed the street. Bob said that, every weekend, we experience drag racing and overnight camping, especially down on 1<sup>st</sup>. The burglary rate on some streets has increased dramatically. Friday and Saturday nights are the worst. If we could get security coverage in a vehicle on those nights, that would be a big help. Ken McGilvray said that, now that the Neighborhood Watch Committee is a Board Committee, we should begin receiving regular reports on this type of activity.

Kaniu Kinimaka-Stocksdale discussed the idea of working with a new power-generation company to procure electricity for HPP. This would help with street lighting for security, as well as for other HPP electricity expenses. The Board agreed that Kaniu Kinimaka-Stocksdale could arrange for a presentation to the Board related to this.

- C. Request for reimbursement. Ken McGilvray had asked Dennis Higgins to help with inventorying the intersections. There was a slight accident on 25<sup>th</sup> and Kaloli as Dennis' truck turned on the intersection. There was about \$650 in damage to Dennis' truck. Ken said he had asked Dennis to help with this survey since our road crew couldn't get it done. Ken said that we could turn it into our insurance company, but it would cost the deductible.

*Dale Watson moved that HPPOA pay the damages, amounting to approximately \$650, to Dennis Higgins' vehicle. Kaniu Kinimaka-Stocksdale seconded the motion. The motion was approved with Rod Thompson abstaining.*

**XI. Announcements.**

- A. The next regular meeting of the Board of Directors is Wednesday, April 15, 2009, at 6:00 pm.

- XV. Adjournment.** The President adjourned the meeting at 9:55 pm, with the Board going into Executive Session.

Respectfully submitted:

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Robin Messenheimer, Recording Secretary

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Kaniu Kinimaka-Stocksdale, Board Secretary

### **Motions Log**

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