

**Hawaiian Paradise Park Owners Association
The Board of Directors Meeting on August 15, 2012
Minutes**

I. Call to Order: President June Conant called the meeting to order at 6:00 p.m. Quorum was established. The meeting took place in the Activity Center.

II. Roll Call:

- a) Board of Directors: June Conant, President; Merrill (Skip) McAlister, Vice-President; Joan Galante, Treasurer; Elizabeth Weatherford, Secretary; Tom Nickerson, Verne Presnall, Francis Ganon. Absent: Judy Sumter and Terry Michels.
- b) Guests: Derek Alatan, Albert Braga, Dennis Braga, Pauline Brault, Lawrence Brennan, Leilani Bronson-Crelly, Glen Burris, Jerry Carr, Charles Cartwright, Steven Demeritt, Bruce Derrick, James DeVincent, Mary Ellen DeVincent, Peter Frost, Catherine Garcia, Jolene Hampe, Debbie Hay, Barbara Kahn-Langer, Kathleen Kam, Myra Lewis, Ron Lewis, Brent Magstadt, Freddi Maguilla, Deanne Marino, Mike Mentnech, Alice Nix, Linda Penn, Alana Popoff, Victor Popoff, Naomi Powers, Jherrie Rubeyiat, John Santiago, Kathy Skea, Rod Thompson, Iris Viacrusis, Vicki Vierra, Sondra Vlasaty, James Weatherford; also present, Scott Reilling, General Manager; and Denise Warner, Recording Secretary.

III. Approval of Agenda:

Elizabeth Weatherford moved to accept the Agenda as amended. Vote in favor: Unanimous approval. Motion carried.

IV. Owner Input:

- a) Tom Nickerson – noted that no legal action has been taken against the Association nor have any fines been imposed on HPPOA to date.
- b) Jerry Carr – implored the Association not to panic. He asked that no action be taken at this time, and suggested the Association spend a few thousand dollars on an expert legal opinion before any decisions are made. He further requested the Board make sure residents are clearly informed before they ask the members to vote on any possible action.
- c) Peter Frost – asked that the Board not increase fees, and asked for further expert legal opinion before any action is taken.
- d) Lawrence Brennan – asked about alternatives to paving and asked for a feasibility study.
- e) Glen Burris – shared his opinion that some complaints of fugitive dust may not be warranted, since the fugitive dust laws apply to situations where construction is underway.
- f) Barbara Kahn-Langer – strongly supported the comments previously noted.

- g) Alice Nix – asked why the bond monies did not cover paving more roads. She also noted that the dust has increased more recently, and asked for greater accountability, and better materials for the roads.
- h) Mike Mentnech – suggested involving those recently elected for support, before any new assessments are enforced.
- i) Linda Penn – also suggested that an extreme feasibility report be conducted to figure out what aggregate should be used on the roads. She complained that new schools are being blocked by the Hui.
- j) Vicki Vierra – feels that action to increase assessments is an extreme reaction to one complaint over dust. She suggested that water be sprinkled on the road.
- k) Victor Popoff – does not feel there is a fugitive dust problem and asked for proof. He suggested that the people who are complaining should be paying to fix the problem. He left a document for the Board’s review on dealing with fugitive dust mitigation.
- l) Joline Hamfe – suggested the Association invest in a water truck to water the roads in order to satisfy the State that HPPOA has a process in place for dust mitigation.
- m) Deanne Marino – implored the Board for assistance in dealing with an encampment which has grown on a property near her residence on 11th and Maku’u Dr.
- n) Steve Demerit – felt that there may have been a misinterpretation of administrative rules by the Attorney General, since the rules refer to fugitive dust from construction. He noted that other options for dust mitigation should be considered before paving all the roads, such as calcium and magnesium chloride or wood chips, or changing the size of the aggregate.
- o) ?? – stated that the issue is not dust, but distribution of funds.
- p) Iris Viacrusis – thanked the residents for their attendance at this meeting and their attention to matters that concern the HPP community.
- q) Bruce Derrick – noted that the top coat used for roads in HPP is not being used by other subdivisions of Hawaii, and there is no drainage on the roads.
- r) Rod Thompson –suggested spraying water in front of properties with dust problems.
- s) Cathy Garcia – felt that the Board has done nothing to help those who have complained and asked the Board to consider options such as watering the roads, or improving the road maintenance materials, as was mentioned previously.
- t) Kimo DeVincent – suggested HPPOA consider Chapter 11 reorganization with the aid of a bankruptcy attorney, as this will shut down any pending lawsuits.
- u) Mary DeVincent – felt that roads which were paved were chosen by Board Members who lived on those roads. She suggested a lottery would be a fair method for deciding which roads are to be paved, and that people who want to live where the roads are paved should move to where the roads are paved.

- v) Jonathan Santiago – noted that when he bought the property it was a dirt road. He suggested that HPP use the 1 ½” base course used by Yamada and Sons.
- w) Chuck Cartwright – noted that as a previous Board Member, he never felt the bond would pave all the roads. He encouraged the development of a long-range plan which is made available to residents showing the order of roads to be paved. He also asked for specialized legal opinion.
- x) Robert Albert – suggested the Board get federal funding for the maintenance of the roads.
- y) Kathleen Kam – had noted a problem with speeding cars on A St. and K St., and asked for the installation of speed humps to slow down traffic.
- z) Freddi Maguilla – felt that fugitive dust issues refer to construction.
- aa) Jherrie Rubeyiat – recommended the Board assign a specific person and form a committee to deal with problems raised by residents. She thanked the Board for their efforts.
- bb) Debbie Hay – suggested that chip seal may be a better option for roads.
- cc) Merrill (Skip) McAlister – also encouraged the Association not to panic. He noted that the Dept. of Health is asking for a list of possible dust mitigation processes, and read several suggestions which will be considered.
- dd) Leilani Bronson – suggested the Board post the answers to the FAQs on the website. She suggested that an expert opinion be included at tomorrow’s Executive Session.
- ee) Dennis Braga – none of the roads are in compliance with State and County regulations and asked for greater assessment before any materials are put on the roads.
- ff) Bruce Derrick – noted that a change in 1 ½” base course material and drainage on the roads is necessary for dust reduction.
- gg) Francis Ganon – noted that after 37 years this is the worst Board he has ever seen and complained his suggestions are not being addressed. He also felt strongly that residents’ complaints were being edited from the Newsletter.
- hh) Alice Nix – suggested the Board set up a roads committee and asked for greater communication from the Board.
- ii) Freddi Maguilla – complained that despite a motion passed at the Membership Meeting to waive the rental fee for the Community Resilience Committee, the motion was overturned at the next Board Meeting, and the Community Resilience Committee was asked to pay rent for the Activity Center.
- jj) Pauline Brault – asked that street number signs be redone to be more reflective. She asked that Meeting agendas be posted for residents and encouraged creation of a roads committee.
- kk) Jherrie Rubeyiat – suggested that people who are complaining should be addressed by a roads committee before an Attorney is addressed.

- ll) Mary DeVincent – noted that the Community Resilience Committee had been approved by a motion to meet for free at the Activity Center until some Board member changed the motion.

V. Approval of Minutes:

- a) Board Meeting of July 18, 2012 – Tom Nickerson moved to accept the Minutes of July 18, 2012. Verne Presnall seconded the motion. Vote in favor: Unanimous approval. Motion carried.
- b) July 5th Meeting Minutes – Elizabeth Weatherford moved to approve the Minutes from July 5, 2012. Tom Nickerson seconded. Vote in favor: Unanimous approval. Motion carried.

VI. Committee Reports:

- a) Parks – Tom Nickerson noted that despite the Board’s efforts to regain the two parcels of land from the County, the County responded that they cannot release land bordering the ocean. However, no official response was received in writing. He suggested those parcels be made more accessible as parks.
- b) Paving – Francis Ganon noted that new ways of paving are being discussed with Yamada and Sons.
- c) Road Traffic Safety – Bruce Derrick noted that reflective delineators are in place at Paradise Ala Kai, and a walkway is in development. Additionally, reflective street number signs are going to be posted on the back of stop signs.
- d) Path – Lawrence Brennan reported that the Committee is meeting monthly, and work on the path is in progress.
- e) Finance Committee – Joan Galante reported. Previous sets of Minutes were distributed to the Members.

Joan Galante moved to include in the Collection Policy and Procedures: “Once a lien is placed it will remain on the owner’s account until the account is brought current”. Tom Nickerson seconded. Vote in favor: Unanimous approval. Motion carried.

Joan Galante moved to change the wording of the Payment Plan Options of the Collection Policy and Procedures by striking the phrase “at times we might” and replacing it with “we will...ask for a written proposal or some documentation to see what the owner’s situation is before we make a commitment.” Tom Nickerson seconded. Vote in favor: Unanimous approval. Motion carried.

Joan Galante moved to use the current Home Street Money Market account to deposit all monies posted in the P-Past account on the Monthly Income Breakdown by the Month Report at the end of each month starting with 2011 along with all monies collected from extra burden fees. Funds in this savings account will be used for future paving projects. Verne Presnall seconded. Discussion ensued. Vote in favor: Joan Galante, Verne Presnall. Opposed: Tom Nickerson, Merrill (Skip) McAlister. Abstained: Elizabeth Weatherford, June Conant. Motion Lost.

Per a motion made at the July Board Meeting, all P-Past due funds will be designated for future paving. *Elizabeth Weatherford moved to make a separate account in Home Street Bank with no special conditions on it. Tom Nickerson seconded. Vote in favor: Unanimous approval. Motion carried.*

Treasurer's Report: Joan Galante presented a review of the Treasurer's Report.

Construction Fund (available for paving) **\$2,250,031.03**

Total Checking/Savings and Construction Funds **\$6,382,112.11**

VII. General Manager's Report and Road Supervisor's Report: Scott Reilling presented the report. The Monthly Mowing schedule was distributed. Collections made were also reviewed.

VIII. Unfinished Business:

- a) Motions Log (on-going) – Updates will be noted.
- b) Dust Update – June Conant noted that the idea of the special assessment to raise fees to pay for paving was an option raised at the meeting with the Dept. of Health, despite her protests against such action. The Board agreed that a list of measures to control dust will be developed with the help of Dennis Poma, Environmental Engineer and Mr. Ivan Van Leer, Esq. at tomorrow's Special Executive Session. Of note, watering the roads has provided only a temporary solution and is not cost effective on a large scale, and sodium/magnesium chloride are not effective for vehicular traffic and are not environmentally friendly. Several other methods will be considered.
- c) Mailboxes – No communications have been received from the Post Office on the project to move mailboxes on Shower Dr., nor have they communicated any progress on the project to increase the number of mailboxes in HPP.
- d) Quickbooks and First Hawaiian Bank Services and Online Payment Comparison – After review, Mr. Reilling suggested using Quickbooks' service, which offers a free two month trial. It was suggested that a minimal fee could be charged to defray the costs after the free trial has ended.

Merrill (Skip) McAlister moved to allow the General Manager to proceed with the trial with Quickbooks for the purpose of collecting online billing. Elizabeth Weatherford seconded. Vote in favor: Unanimous approval. Motion carried.

IX. New Business:

- a) Replace Server in Office – Mr. Reilling noted that the current server is a temporary, used server. He presented the Board with a quote for a new server for \$3268.00.

Tom Nickerson moved to purchase the server for the amount estimated of \$3268.00. Joan Galante seconded. Vote in favor: Unanimous approval. Motion carried.

- b) Hire Consultant to Review Bond and Pay Off Debt – Due to the current high interest rate of 7%, Tom Nickerson suggested hiring Nancy Kramer, CPA for \$160/hr to provide a

cost/benefit analysis of the bond, in order to see if a payment on the principal reduction or refinancing the remainder of the bond is feasible.

Tom Nickerson moved to table further discussion of hiring Nancy Kramer, CPA to provide a cost/benefit analysis of the bond until the next Meeting, when a formal proposal can be presented. Elizabeth Weatherford seconded. Vote in favor: Unanimous approval. Motion carried.

X. Communications:

- a) Dust complaint from Carol Williams

XI. Announcements:

- a) Special Executive Session: Thursday, August 16, 2012 at 6:00 p.m. in the Activity Center.
- b) Next Board Meeting: Wednesday, September 19, 2012 at 6:00 p.m. in the Maintenance Bldg.
- c) Next Membership Meeting: Sunday, October 28, 2012 at 3:00 p.m. in the Activity Center.

XII. Adjournment of Meeting:

The meeting adjourned at 9:30 p.m.

Respectfully Submitted and Approved:

Denise Warner, Recording Secretary of Minutes

Date

Elizabeth Weatherford, Secretary

Date

Motions Log

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