

**Hawaiian Paradise Park Owners Association
The Board of Directors Meeting on May 15, 2013
Minutes**

I. **Call to Order:** President June Conant called the meeting to order at 6:03 p.m. Quorum was established. The meeting took place in the Activity Center library.

II. **Roll Call:**

- a) **Board of Directors:** June Conant, President; Merrill (Skip) McAlister, Vice-President; Elizabeth Weatherford, Secretary; Joan Galante, Treasurer; Terry Michels, Tom Nickerson, Judy Sumter; Verne Presnall; and Francis Ganon.
- b) **Guests:** Evan Pfaff, Lawrence Brennan, Matthew Polido, Bill Miller, Bill Newman, Maureen Pustka, Bruce Derrick, B. Moani Pai-Paige, Derek Alatan, Dick Koval, Harold Chung, Glenn Severance, Steven Stein, Leilani Bronson Crelly, Robert Francis. Also present, Scott Reilling, General Manager, and Heather Huffman Ross, Recording Secretary.

III. **Approval of Agenda:**

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

IV. **Guest Speaker:** Matthew Polido – owner of a private postal service in Keeau, presented an alternative to the USPS plan to restrict mail delivery in HPP. Mr. Polido proposed a plan which included mailbox with the USPS, which, for owners to rent a private mailbox from his business while waiting to get a USPS mailbox; which usually takes a year or two. Mr. Polido’s company is able to receive USPS, FedEx and UPS deliveries. Mr. Polido might be able to offer curbside delivery for \$10-15 per month. He said he was working to get a zipcode, other than Keaau, for HPP. At this stage of plan development, Mr. Polido is surveying to see if residents are wanting the service. Mr. Polido was asked for a written proposal with a conceptual plan to be made available on the HPPOA website, including a minimum number of residents required; Mr. Polido agreed.

V. **Owner Input:**

- a) Lawrence Brennan – presented “Dangerous trees can be removed under bill” (newspaper clipping) to the Board and suggested they should be discussing legislation applicable to HPP in order to use political leverage through the HPP representatives. The political leverage of 11,000 people is important to let representative s know whether the people of HPP approve or disapprove legislation
- b) Bill Miller - presented research on playground options. The most common types are: Game Time (like at the zoo and Panaewa park which cost about \$160,000) and Little Tykes. Authorities would like to know how many 2-6year olds and 6-12 year olds there

are within the park (there are about 1,700 6-12 year olds). He then asked if there was space reserved and if he has permission to continue research?

- c) Glenn Severance – inquired about owner’s with delinquent payments being able to start a payment plan with the HPPOA. He understood the road improvement fund goes towards pavement and since his road won’t be paved, he didn’t pay. Additionally, he was unaware that HPPOA does payment plan contrary. He agreed to see Scott Reilling to discuss resolution of payment.
- d) Steve Stein – suggested a time clock (\$300-600) should be installed in the office; to record when payments are made or material is given to the office.
- e) Bruce Derrick –reminded directors of their oath of office which he felt they broke that last month when they voted to pave 29th St. and approved Yamada to do the paving, Tom Nickerson had tabled the motion to contract Yamada in February. Also, he felt by issuing a “blank check” as to what Yamada would charge was incorrect. Scott Reilling answered stating the contract is available in the main office for anyone to see.
Merrill “Skip” McAlister responded by stating he felt the motion made last meeting was in violation and then went out and measured the road himself. None of the 18 inches of tapering in the driveways was completed and believed Yamada will need to go back and complete it.
Scott Reilling responded that normally the roads would have base material raising the asphalt by 4 inches and would need to be tapered to 2 inches. Because this road has no base material it started at 2 inches and therefore does not need to be tapered to the needed 2 inches.
Francis Ganon stated he felt the motion that was tabled to make all roads 20 feet should take precedence and therefore he did not vote for the amendment
- f) Moani Pai-Paige – recently moved to HPP and has attended meetings to learn the process primarily through observation. She felt that there is a lot of violence and dysfunction within the leadership and people do not listen to one another. She suggested the Board listen to others first, then observe and think of others’ point of view and concede opinions in the hopes of finding consensus.
- g) Robert Francis – held up his ballot stating he received it without information about the voting process and takes issue with it because it is unfamiliar and the calculation of the winner is unclear. He also read the section of the bylaws about preferential voting and suggested the Board stop the preferential voting.
June Conant responded that the change to the bylaws for preferential voting was made for when there are more than 2 candidates and that the membership voted on and passed the bylaws.
- h) Leilani Bronson Crelly – stated she agrees with Mr. Francis and that the terms “preferential voting” has no specific definition in the bylaws. She then referred to and read the relevant passage from Robert Rule’s on preferential voting and read from the Robert’s Rules of Order book. She also stated her opinion that the Board should call off the election because due diligence was not adhered to.

VI. Approval of Minutes:

- a) Board Meeting of March 20, 2013 – Terry Michels moved to approve the March 20, 2013 minutes. Vern Presnall seconded. Unanimous. Motion carried.
- b) Board Meeting of April 17, 2013 – Joan Galante moved to approve the April 17, 2013 minutes. Tom Nickerson seconded. Vote in favor: Vern Presnall, Terry Michels, Joan Galante Francis Ganon, Tom Nickerson, Judy Sumter, and Elizabeth Weatherford. Abstain: Merrill “Skip” McAlister. Motion carried.

VII. Committee Reports:

- a) Finance Committee – Joan Galante read the last meeting minutes. She noted she was the only Board member present. The committee is still working on collections and that some of the collection letters sent were the office’s last attempt to contact the owners. Scott Reilling stated 29 of the letters sent were returned unclaimed although current tax information was used with the most up to date addresses. In addition Joan reported they worked on the budget during the meeting. The budget is composed by the general manager and treasurer then discussed by everyone.
- b) Parks – No report was available, as there has been no volunteer to Chair the Committee.
- c) Path – Lawrence Brennan reported on the accessibility of paths on the main roads. He met with Councilman Greggor Ilagan who said he may be able to assist in getting funding if the park got their 501C-3 (county) approval. Mr. Brennan is getting a master plan together to present to the general membership. This draft would be attached to the HPP master plan. He also notified the board the next path meeting is Tuesday, May 21st
- d) Road Traffic Safety – Bruce Derrick reported the signs approved in September are still missing as well as stop signs are not being positioned to County code after being knocked down. Scott Reilling responded that he would like to meet with Mr. Derrick to discuss the issues of the L St. curve and whether it would be prudent to hire a consultant. He also suggested any infraction of safety for line of sight should be cited and sent to the main office as a work order.

VIII. Nominating - Elizabeth Weatherford reported the nominating committee has completed mail-outs and received questions from the League of Women Voters which will be discussed later. 2,402 ballots were mailed out to everyone that has paid their fees; those who have not paid were not sent a ballot. Ballots sent: District 1: 641, District 6: 697, District 8: 459, and District 9: 600. Ballots destroyed/ not sent District 1: 371, District 6: 354, District 8: 569, and District 9: 382.

Bruce Derrick reported he felt the labels put on the ballots did not adhere to the USPS standard of font and size for address labels making them difficult for the USPS sorting machines to read.

Merrill “Skip” McAlister reported he received phone calls about residents who did not

receive their ballots and they were all from District 1. Also, he discussed his email to Scott Reilling requesting a list of District 1 residents who were mailed a ballot. However, the email correspondence was inconclusive and without a list due to a required Board decision to give out the list. Discussion ensued.

Scott Reilling responded telling the Board all information is available in the main office but will not be released from the office either electronically or physically. He also read the General Manager's authority as written in the bylaws. Everything done in the General Manager's office is done transparently and in accordance with the bylaws and no information was denied to anyone on the Board. Mr. Reilling requested that it be on record that he took offense at being called a "lair" by the candidate and Board member Francis Ganon.

IX. Treasurer's Report: Joan Galante presented the Treasurer's Report.

Construction Fund (available for paving)	\$1,628,367.34
Savings, Checking and Investments	\$4,692,182.59
<u>Total Checking/Savings and Construction Funds</u>	\$6,320,549.93

General Manager's Report and Road Supervisor's Report: Scott Reilling reported the successful completion of paving on 29th last month, and the bus shelter to be installed at 16th and Paradise is being donated by the Pahoia Rotary club. He also noted that Hilo Termite had the low bid to tent the Activity center at \$3674.98. Discussion ensued.

Verne Presnall moved to use Hilo Termite to tent the Activity Center. Terry Michels seconded. Unanimous. Motion carried.

Mr. Reilling also reported the office received bids to fix the power mast located near the office. The two bids are: \$1,400 by Mattos Electric and \$900 by Iwamoto.

Merrill "Skip" McAlister moved to use Iwamoto Electric for the electrical work at the main office. Judy Sumter seconded. Unanimous. Motion carried.

X. Unfinished Business:

- a) Motions Log (on-going) – Updates to follow.

XI. Old Business

- a) Update on mailbox plan from the USPS (see attached) – June Conant reported that the USPS requires the Board to sign an agreement before getting the details of the plan for the damaged boxes. Scott Reilling will email all Board members the date and time for the meeting to discuss the details and suggest s as many Board members as possible attend the meeting.
- b) Encroachment Agreement with Dr. Swigart – Mr. Reilling reported that Dr. Swigart has agreed to move the fence and asked for 6 months to do so.

Merrill “Skip” McAlister asked for a general consent to allow 6 months from tomorrows date. Unanimous. Motion carried.

- c) Update on the NPDES permit – Mr. Evan Pfaff reported the Department of Health responded to the letter sent stating maintenance work on an existing road does not require the permit. As a point of clarification, regardless of permit, the water quality standards need to be met. The Department of Health response also listed the circumstances in which the permit would be needed.

Joan Galante moved that the Board instruct the General Manager to direct the road crew to bring the remaining roads that have been selected to be paved in Phase IV to top maintenance condition by re-grading and cleaning out roadside ditches; to maintain the road’s state prior to having a paving contractor place a leveling course or base course and asphalt on these roads in order to adhere to the NPDES definition of non construction therefore not requiring a NPDES permit. Paving contractor will provide the Association with the same guarantee provided in Phase IV paving contract. Elizabeth Weatherford seconded. Discussion ensued Motion rescinded

Merrill “Skip” McAlister suggested to pay the price for the permit because it would be erring on the side of caution. Tom Nickerson and Francis Ganon agreed. Scott Reilling recommended getting the permit.

Joan Galante moved to approve the expenditure of filing the NDPEs permit and that Evan Pfaff will be engineer that will file on behalf of HPP. Terry Michels seconded. Vote in favor: Tom Nickerson, Merrill “Skip” McAlister, Joan Galante, Terry Michels. Francis Ganon. Opposed: Verne Presnall. Abstain: Elizabeth Weatherford. Motion carried.

- d) Preferential voting (Letter from the League of Women Voters) – Merrill “Skip” McAlister outlined the Robert’s Rules for counting preferential voting. The League of Women Voters (LWV) should be directed to follow Robert’s Rules in all counting avenues. The LWV wants to know whether they should count the ballot that only has one vote instead of the 1, 2 and 3. The Board will notify the LWV that all ballots will be counted and a tie between 2nd and 3rd place is covered in Robert’s Rules. June Conant mentioned to the Board that the ballot was sent to the LWV for approval prior to the mailings.

- e) Owners request to view Directors packets – the written request was adhered to – Leilani was contacted via phone in 5 business days by June Conant. The request was presented to the Board for a Board. Ms. Bronson Crelly clarified that she requested to view the February and March meeting board packets to review the minutes from the nominating committee. The motive was to determine whether the preferential voting ballot was shown in the packet for it to be voted on. Also, she stated she did not request a copy of the packets but wanted to view the packets.

Elizabeth Weatherford moved that Board packets, excluding executive packets, will be

kept on file in the office and made available for view by residents. Terry Michels seconded. Discussion ensued. Unanimous. Motion carried.

- f) Road dedication and road fee tabulation - Tom Nickerson reported that a vote of the residents is needed for road dedication

Tom Nickerson moved in the next mailing that the Board mail out a ballot to the owners granting board authority to seek dedication for main roadways. Elizabeth seconds. Discussion ensued. Voting in favor: Verne Presnall, Terry Michels, Francis Ganon, Tom Nickerson, Merrill "Skip" McAlister, Elizabeth Weatherford. Opposed Judy Sumter and Joan Galante. Motion carried

Tom Nickerson moved to approve the expenditure not exceeding \$750 for the survey work for the exhibit needed by Hawaii County as well as to be attached on the ballot. Francis Ganon seconded. Discussion ensued. Voting in favor: Verne Presnall, Elizabeth Weatherford, Terry Michels, Tom Nickerson, Merrill "Skip" McAlister, Francis Ganon. Opposed: Joan Galante and Judy Sumter. Motion carried

A new bylaws committee will be needed to discuss the change in fee tabulation on a price per acre versus flat fee which would result in a change in bylaws.

- g) Foreclosures – June Conant has been informed by Mr. Ted Hong that there is an issue with the lots HPPOA foreclosed. Not all persons needing to be included in the foreclosure procedures were not notified. All four foreclosures are no longer valid and will cost HPP around \$30,000 to unravel. HPP will be forced to vacate all four foreclosures. Those who bought the properties in good faith will need to be reimbursed for all costs incurred; some expenses include, but not limited to, commissioner fees and escrow charges. HPP did not require title searches and Mr. Hong is not claiming any responsibility.

Tom Nickerson moved to allow the Board to go forward with Mr. Hong's recommendation go back and set aside the due process anofd foreclosures and go back to court to vacate the foreclosures. Vern Presnall seconded. Unanimous. Motion carried. Discussion ensued.

FANCIS GANON LEFT DUE TO MEDICAL REASONS

- h) Dust – Mr. Reilling notified the Board that the Board of Health received another complaint about dust on 9th between Paradise and Kaloli. The water truck runs 9 hours a day but can only water 10 roads once at a cost of \$550 a day. Mr. Reilling suggests water is not the solution unless for intermittent complaints. A dust mitigator is going to be needed on the constantly complained roads. Dust fences cost roughly \$400 and asked the Board for direction.

Judy Sumter read a letter from Maureen Pustka regarding a suggestion to hire an environmental attorney to mitigate the Department of Health and HPP notices.

Maureen Pustka put forward a suggestion to approve to fund an initial consultation with an environmental attorney that is experienced in litigation and negotiation with the Hawaii

Department of Health.

Judy Sumter moved to approve the board to research experienced environmental attorneys and the fees incurred for any attorney the Board wishes. Joan Galante seconded. Vote in favor: Verne Presnall, Terry Michels, Judy Sumter, Joan Galante. Opposed: Tom Nickerson. Abstain: Merrill "Skip" McAlister. Motion carried.

Joan Galante moved that Scott Reilling proceed with the dust fence on the property on 9th in order to address the immediate issue at hand. Elizabeth Weatherford seconds. Discussed Ensued. Vote in favor: Verne Presnall, Terry Michels, Judy Sumter, Joan Galante, and Elizabeth Weatherford. Opposed: Tom Nickerson, Merrill "Skip" McAlister. Motion carried.

XII. New Business:

- a) Approve the 2013-2014 yearly budget - Joan Galante presented the 2013-2014 budget which she and Scott Reilling wrote after researching passed years' budgets. As a point of clarification, Joan Galante explained the fee of \$10 and it was chosen because it is easier for accounting purposes.

Joan Galante moved to approve the proposed 2013-2014 budget. Elizabeth Weatherford seconded. Discussion ensued. Voting in favor: Joan Galante, Verne Presnall, Justy Sumter, Terry Michels, and Elizabeth Weatherford. Opposed: Tom Nickerson. Abstain: Merrill "Skip" McAlister. Motion carried.

- b) Diamond Drilling's request for Special Use Permit –Mr. Diamond commented on his permit and in particular the question about hazardous material. All soaps used on the property are biodegradable and approved by the FDA. Mr. Diamond's drilling rig only leaves the property roughly 30 times a year and the business is not open to the public. The fuel containment is a concrete container 6inches on the sides and 8 inches on the bottom and there is never has more than 1500 gallons on hand. A fire suppressant system is currently being installed. Mr. Diamond's special use permit will be heard at the Planning Commission meeting on June 6th at 9:00pm. Members of the Board including Merrill "Skip" McAlister and Judy Sumter visit Mr. Diamond's property.
- c) Center for Spiritual Living driveway discussion - Tom Nickerson reported the church did not want to create a new driveway and use the existing one. The issue is with the additional traffic and the effects of that traffic. Reverend Taggart offered to allow the potable water on the church's property.
- d) Orientation meeting, elected Directors and standing Directors June 26, 2013 at 6pm in the library –
- e) Vern Presnall suggested that HPP install 4-5 rubbish barrels at the two parks along the ocean– Scott Reilling notified the Board that 4-5 rubbish barrels will be installed.

- f) Observers for Director Election Vote counting – Will be counted on Thursday June 6th at 9:00am at the East Hawaii Cultural Center. There is room for no more than 4 people. No candidate or relative of a candidate can go. No contact with the counters; only observe. Takes roughly 3 hours.
Skip McAlister will attend. All others need to contact June Conant via phone.
- g) Discuss illegal signage– Dick Koval presented photographs of illegal signs found during rubbish cleanup. He would like to have the Board encourage the maintenance guys to assist in cleanup.
- h) Harassment & Bullying – Judy presented information found for common rules and guidelines from other housing associations for harassment and bullying. Would like to create an harassment and bullying set of guidelines for HPP
Also, she discussed conflict of interest and how the issues should be sent to an attorney for a determination of whether it is a conflict of interest or not and to obtain a legal recommendation.

Judy Sumter moved to seek a legal definition of conflict of interest from an attorney and to approve the Board to seek permission to solicit advice from the HPPOA attorney on the conflict of interest regarding the hauling. Tom Nickerson seconds. Unanimous vote. Motion carried.

XIII. Communications:

- a) Letter regarding HPP Speed Limits.

XIV. Announcements:

- a) Next Board of Directors Meeting: Wednesday, June 19, 2013 at 6:00 p.m. in the Library.
- b) Membership Meeting: June 30, 2013 at 3:00 p.m.

XV. Adjournment of Meeting:

The meeting adjourned at 10:32 p.m.

Respectfully Submitted and Approved:

Heather Huffman Ross, Recording Secretary of Minutes

Date

Elizabeth Weatherford, Secretary

Date

Motions Log

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

Terry Michels moved to approve the March 20, 2013 minutes. Vern Presnall seconded. Unanimous. Motion carried.

Joan Galante moved to approve the April 17, 2013 minutes. Tom Nickerson seconded. Vote in favor: Vern Presnall, Terry Michels, Joan Galante Francis Ganon, Tom Nickerson, Judy Sumter, Abstain: Merrill "Skip" McAlister. Motion carried.

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Joan Galante moved to approve the expenditure of filing the NPDES permit and that Evan Pfaff will be engineer that will file on behalf of HPP. Terry seconded. Vote in favor: Tom Nickerson, Merrill "Skip" McAlister, Joan Galante, Terry Michels. Francis Ganon. Opposed: Verne Presnall. Abstain: Elizabeth Weatherford. Motion carried

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