

**Hawaiian Paradise Park Owners Association
APPROVED – Board of Directors Meeting Minutes
July 19, 2017**

I. Call to Order: President, Lori Laucik (District 5) called the Board of Directors meeting to order on July 19, 2017 at 6:01 p.m. Quorum was established. The meeting took place in the HPPOA Hui Activity Center Library.

II. Roll Call:

Board of Directors: Lori Laucik, President, (District 5), Ruth Mizuba, Vice President (District 2)-arrived at 6:03, David Roe, Secretary (District 9), Kathleen Shaw (District 3), Jack Oskins (District 4), Patrick Murdoch (District 6), Leslie Blyth (District 7), Larry Kawaauhau (District 1) –arrived at 6:05/left at end of BOD for work **Absent:** Chris Anderson, Treasurer, (District 8)-Illness.

Owners: Shawn Merrill, Craig Crelly, Leilani Bronson-Crelly, Jeff Finley, Beth Evesong, Rosemary L. Brown, Alexa Aleman, Judi Houle, Mayelin Stillwell, Steve Crawford, Leilani Bronson Crelly **Guests:** Don Morris, GM

III. Approve Agenda

Kathleen Shaw (District 3) moved to add swearing in Leslie Blyth to the Agenda. David Roe (District 9) seconded the motion. Vote: Yes-5, No-0, Abstain-0. Unanimous. Motion carried.

Kathleen Shaw (District 3) moved to approve the Agenda as amended. David Roe (District 9) seconded the motion. Vote: Yes-5, No-0, Abstain-0. Unanimous. Motion carried.

Ruth Mizuba (District 2) arrived at 6:03.

Larry Kawaauhau (District 1) arrived at 6:05.

Leslie Blyth took the Oath of Offices.

IV. Approve Past Minutes:

Patrick Murdoch (District 6) moved to approve the June 21, 2017 and July 5, 2017 meeting minutes. Kathleen Shaw (District 3) seconded the motion. Vote: Yes-3. Motion died on the floor

Patrick Murdoch (District 6) moved to approve the June 21, 2017 minutes as submitted. Larry Kawaauhau (District 1) seconded the motion. Vote: Yes-3, No-0, Abstain-5. Motion carried.

Lori Laucik (District 5) moved to approve part one and two of the July 5, 2017 meeting minutes. David Roe seconded the motion. Vote: Yes-7, No-0, Abstain-1 (Leslie Blyth/District 7)

V. President's Report – Lori Laucik (District 5)

Lori Laucik reported that tonight is the board's first meeting together, and that they had a special meeting in July because there was a tie for President at the vote after the General Membership Meeting. Patrick Murdoch filled the District 6 position. There are now no vacancies and a full board with a group anxious to work together and get started. Reported that she's gone through the book, there's the opportunity to have a membership meeting committee so that actual members can run the membership meeting as in the bylaws. So hoping that when we send out the July letter to let people know and maybe in October have the membership vote on that.

VI. Treasurer's Report – Chris Anderson (in absentia due to illness) – Prepared report was read into the record:

Bank Balances as of the end of June 2017:

Total Checking, Savings, Investments and Bond Reserve: \$6,862,867.67 – This is \$136,988.27 above what we had last month.

Total Accounts Receivables: \$2,323,044.80

In January 2017 HPPOA billed \$2,722,568.00 for Road Maintenance. Of that, we have collected approximately \$2.2 million as of the end of June –that's 82%. Currently, there is a total of \$2.3 million to be collected; this amount includes billings that have yet to be paid for the current year and all prior years as well as finance charges, lien fees, transfer fees owed on property transfers and other miscellaneous income.

There were 76 property transfers completed during the month of June as well. A few of these transfers included accounts with past due balances.

The association placed 16 liens or releases on delinquent properties during the month of June.

Year-end adjustments are being made. The current June statements will have year-end adjustments. Final changes are taking place pending the audit.

VII. General Manager's Report – Don Morris

Aloha, thank you for all the road maintenance and safety requests this past month. We have a new budget passed for the fiscal year, and thus, now, have money for base course for the roads that are in need of new material. We will start dropping base course for the roads that are in need of new material. We will start dropping base course on these roads the first of August.

Equipment: All equipment is running find at this time, except for the grasshopper mower. The grasshopper engine parts have been ordered and it will hopefully be put back together within a few weeks. The F450 dump truck was in the shop for electrical repairs, but it has since been completed and returned to working order. We continue to do the daily maintenance and repairs on all other equipment. .

Dust Abatement: We have completed chip sealing on 23rd between Maku'u and Paradise, and we have started 25th between Maku'u and Paradise. Provided the weather holds up, 25th should be finished by the end of the week.

Mowing: Grasshoppers contract is up and we need to renew it as it was approved in the budget.

The HPPOA road crew mowed 29 miles of roadway easement.

Weedwacking: Road Crew weed-whacked 28th to 22nd on Shower, and 30th to Maku'u and Maku'u Ala Kai.

Trees Removed: Trees were removed on easement of 31st Maku'u Dead end in preparation for chip sealing the road.

Gravel, Grated & Rolled: 10 miles of road

Water: 74 miles of road

Rubbish Pick-up: 2.75 tons and 13 tires

Dead Animals Removed: 4 pigs

Abandoned Vehicles: 4 vehicles removed by county, 2 pending removal

Signs Replaced: 2 road signs

Safety Report: No accidents or injuries for the past 35 months. Thank you for our support.

Grasshopper contract discussed. Expired in June and has been on a six-month basis. They do the main roads and offer the same price as it has been in the last six months.

Discussion about the little Grasshopper mower and how that's different than the Grasshoppers Company that does the main roads. Grasshoppers didn't change the price at all from the last contract, all the numbers are the same and it was budgeted. They've been doing this for about a year and a half. Mowing contract alleviates the crew from mowing so they can work on road maintenance. The good thing about them is that they stay pretty well to their schedule.

Our crew has a bush cutter and is a rough mower for fieldwork. Discussion about brush mower, which was used when purchased about three years ago, before this GM was hired, so it's thought to be about five years old total. It needed a \$12,000 transmission job when GM first came into employ. This is an \$80,000 mower. The grasshopper is different and used to do the main roads. Discussion about having two of the large side road mowers and what benefit that would be for road maintenance. If the association got another piece of equipment, then we need another man to run it. It's cheaper to have the Grasshoppers Company, but the GM was re-tasked to again look into costs for the new board as was done for the previous board when they came on.

Patrick Murdoch (District 6) moved to approve the Grasshopper Yard & Tree Service contract for another six months. David Roe (District 9) seconded the motion. Vote: Yes-8. Unanimous. Motion carried.

VIII. Committee Reports (Chair to give 3 minutes report: Motions must be provided in writing)

Bylaws Committee – Chair Milton Pavao – Mayelin Stillwell, a member of the committee, gave a report. She distributed their bylaws committee report from June 25. We're still plodding along in the bylaws, making a document to serve the community for many years. It's an extensive and long process.

Equity Road Fees Committee – Alexa Von Alemann - Chair of committee formed on 2-25-17 at last General membership meeting. Wanted to know if anyone on the board questions the committee's legality. Per what was in their presentation showing the different

roads, she asked why she should have to walk on a dusty road? She stated that it causes silicosis and in a few years from now people will be getting sick. She stated that this situation seems markedly worse in the last three years. The material you're applying seem unsuitable; I'm glad there's been some changes. If board doesn't take this into consideration then the Health Department will be called unless the board is civil and then we don't have to spend money feeding a bureaucratic system. We want to solve the problem. I'm on the side of the people paying and getting sub standard service. We found cement streets were done twice 15 years ago and once 3 years ago on 14th street. We are getting uneven service, so we shouldn't have to pay equal road fees, maybe if we're given payment, then we should pay more.

A HUGE Discussion erupted in the Guest Gallery with someone asking her that if that thought process is in place then they questioned if then they should get a refund for the years they've lived on the dusty road? Another person asked for clarification, "You want your road done, but want to take away the money that would pave the rest of the roads?" Alexa stated that she and her partner would like to take ownership of her road and pave their own pot poles with cement. We want to fix the potholes ourselves.

Mailbox Committee – Chair, R. Mizuba - Still waiting to hear from USPS representative, Edine, who does mailbox assignment. We have about 2200 existing mailboxes. We have 8,000 lots and we have roughly 6,000 residences. So we are still in sore need of mailboxes. I'm going to be requesting our committee putout an informational sheet with cost comparatives of USPS versus private. Those that voted down need to know that people have a need so the people with a need will be asked to come to a General Membership meeting to be heard, so that need can be acknowledged. I expect that it'll take several years to get the info and get people on board. People come to office every week asking for mailboxes, but the membership, or at least the few who voted, said no, but it's a community need we are going to continue to look at.

PMAR – Chair, Leilani Bronson-Crelly –She has been the chair of PMAR but at their last meeting this past week, we discussed the presentation made at the Membership Meeting and the reaction by the politicians made us decide to appoint a new chair because we saw the focus was on the person and not the plan. The new chair is Christian Anderson (not to be confused with Chris Anderson/District 8, Treasurer) – the distribution of the surveys' is down to the last street. We started in late may. We had injuries. We plan to tabulate the second set of surveys from 12th to 17th and on Labor Day, we'll have those results out. PMAR was developed and is now being touted as a road to the park. The community plan said it would bisect the park. At this point, the politician's say the funding has failed, but the idea is to bring a road from Milo (SPELLING?) to Shower and then they wanted to stretch out shower to 3 lanes with an idea of coming in to the community in about three places.

We have Increment 1 made up of 5,000 owners who own 1/5,250th of the roads in that area of HPP, so the question of their liability will need to be examined. In Increment 2 the roads are solely owned by HPPOA.

The committee decided that the future is to think about education the residents from a political perspective of how they can influence the future of the Park. Where they stand and what they know.

IX. Community Resource Report – Judi Houle (Albizia, Fire Ant, Emergency Access Team)

Today was a very busy day. The 97th Civil Affair Battalion came. They're the experts on Pre and Post Disaster and were here. Councilperson Eileen O'Hara joined observing our table-top exercise. The experts took lots of notes and photos, and said we're doing a great job. We hope they're coming back to help us to continue to train because they're concerned about our roads and water systems especially in a disaster. It's of interest what they see at the Federal level and what they can do to help our fragile infrastructure and us. They were very warm and engaged engineers and hope something good comes out of their insights. They came here because we in HPPOA are the only functioning command center on the island.

Food Pantry – Every 4th Tuesday of the month. Food is picked up in Hilo at 11am. It comes in to the Hui at about 11:30 a.m., then between 2 and 3:30, the people come for pick-up. Last Food Pantry was June 27th. We serviced 199 individuals. It cost us more and we had a lot of new people because school is out and families are looking for food for their children. We can expect that for the summer months. Next Tuesday, July 25 is the next Food Pantry.

Fire Ant workshop – The next one will be Saturday, August 5, at the Hui pavilion from 2 to 4. They'll have a power point presentation and then they'll be talking about how to mix the tango bait. Usually 50 to 80 people attend, so we expect a big group turnout. They will help around the Community Center.

Albizia workshop is the third Saturday of the month, August 19, at 9am in the Hui Library. After the workshop, we help a neighbor and treat their home. The volunteers help out and we get our training with this free service. Come to the meeting.

X. Owners' Input (Three minute testimony per lot owner; please submit written questions for which you require a response)

Beth Evesong: District 5 resident. Thanks to the board members for filling all the seats as new and returning members. Thank you for your efforts to help our community. Requested that the new Secretary please remember to print Agendas for audience in attendance.

Asked for a report about the status of the proposed park with county reps and if there's been any input from or with them as to what's going on with our park to be developed here?

Mayelin Stillwell: Welcomed the new board and noted that the bylaws and policies are what govern our association and require your due diligence. The board is responsible for maintaining road ways, plus easements, signage, and enforcing our bylaws. Read Section 8 of the bylaws. Stated that she has seen this bylaw broken often and that a prior vote of majority board must be made. Stated that the board has not voted to do chip seal on any board meeting, but the association voted that they would be the ones to decide. Stated that when the dust abatement started in 2014, there was no vote for chip seal that she could find. Went on to state that in January of this year the board didn't approve for mailer or mailer verbiage, or printing cost, so per her interpretation of what happened and the bylaws she felt that those reps were personally responsible because there was no approval. I've done extensive research. She also noted that the board isn't to promote any printing company for any correspondence. Went on to state that in the past there was an illegal removal of a director because she could find no vote at any meeting board or executive. He was gone by March. He received an email, but she stated that to her knowledge, there was no meeting to remove him. She felt this was wrong. She hopes this board will do this differently and get the majority vote before taking action. Please read your bylaws all the time. You'll always learn something new.

Shawn Merrill: District 4 – Wanted to praise the GM, Don Morris and the road crew for the new red and white stripes on stop signs. They are great. What's the timeline to finish them all?

GM reply recorded: they're done when the corners are expanded and all of them should be done by the end of year. It's cheap, easy and very visible for all.

Leilani Bronson-Crelly: In looking at the Agenda section: "Committee Review," she reported that the Path Committee is still meeting regularly. The Nominating Committee is inactive now, but it will reactivate before an election. She suggested that rather than removing Committees from the Agenda, it would be helpful to just notate the word INACTIVE after committees not working, so that they could be referred to, as needed. She suggested the board as legal council, if there's any exposure, by keeping the inactive committees listed on the Agenda, because of the import of not losing the knowledge.

Alexa Alemann. The presentation had a structure. I had a motion at the end, but couldn't make it because I hadn't submitted it in writing well before the day of the meeting. In past, I saw motions made in the spur of moment. Will you be stopping the spontaneity of membership by requiring this rule?

A discussion ensued and a Owner stated that according to the bylaws Committees have to submit motions before the meeting, but individual motions can be made in the meeting a the spur of the moment.

Steve Crawford: Read from the bylaws and stated that it was wrong that the Board didn't used the recommended budget of the finance committee, even though it wasn't passed by the committee, he felt that the Finance Committee should be tasked to do that and he maintained that therefore, even though the Board adopted a budget that the GM created and presented based on last years budget and numbers, he felt that the board doesn't legally have a budget because finance committee never voted and approved it.

There was a lengthy discussion about the recommended budget of the Finance Committee and the GM's suggested budget. There was discussion about the difference of how the two budgets were based on a difference of 340 to 390 lots, which then would reflect 7990 versus 8375 revenue differences. The GM's budget is based on last years 8375 Lots as used in last year's budget, but Finance Committee wanted to make a budget based on 7990 instead.

It was noted that the GM came in under budget last year having been allotted \$368,240, but he came in well under budget at \$255,000 spent. The GM stated that his budget would allow for \$63,000 for Road Work, but the Finance committee's recommended budget would curtail those funds for the roads. It was noted that they've already collected over 2 million, which is more than the GM, Don Morris' suggested budget, plus we have \$300,000 in the bank and June isn't even calculated, but already \$100,000 has been collected.

Rosy Brown District 7 – at one of previous board meetings, the GM mentioned something about the road dust issue and that you were going to have an attorney look into a way that HPP would not be responsible for fugitive dust fines.

The GM replied that they are working with legal counsel to present the fugitive dust plan, working with the DOH to fulfill and satisfy their requirements by showing the Association's earnestness to alleviate the problem ASAP.

XI. Old Business

1. Update Status on Re-financing of the Bond - Don Morris GM – they sent a couple applications into loan brokers and are still waiting to hear back from First Hawaiian Bank. They've sent out financial packets to a couple institutions on the mainland, and to two

mortgage brokers. They are looking to find fewer stipulations, less of an interest rate, and less of a reserve requirement than the 1.2 million in reserve, that we cannot spend. This bond hasn't been eligible for refinancing, and won't be until 2018. One of the places he spoke to said, "you would have to have been nuts to sign this bond because of the restrictions of it."

2. Upgrade to HPPOA Web Site (www.hppoa.net): A couple different people have looked at the website and the question now is whether to rework the existing website or start from scratch and transfer over the data. A person, who teaches a class on it, said that it doesn't look that bad, and revamping this one would probably be doable, so they're getting a couple estimates with that approach in mind.

3. Update Status on Food Establishment Permit – Don Morris – Spoke to Health department. Went to submit for permit. They want to know what kind of food is being served. Temporary permits were discussed as the better way to proceed. They will send people to apply for their own temporary permit and then we can schedule the kitchen use through the office. A discussion on how to rent out the kitchen ensued.

Larry Kawaahau (District 1) left at for work 8:49.

Kathleen Shaw (District 3) moved to not get a Food Establishment Permit, but people using the kitchen will have individual temporary permits. Lori Laucik (District 5) seconded the motion. Discussion: The Association's insurance for liability covers it so we don't need an extra waiver. **Vote: Yes-7, No-0, Abstain-0. Motion carried.**

4. Outstanding Directive – tabled.

XII. New Business:

1. Approve of "Annual Fiscal Statement" and "President's Report to Members" for mailing. – GM: this is an odd thing. It's supposed to be mailed out every year. A lot of times, the Board has a President leaving and one coming in, which has always caused a conflict as to who should do it e.g. the old President or the New President. Last year we did the financial report, but the President report wasn't given in the document. We need to know where to find clarification about whether it's supposed to be the outgoing or incoming President's report.

A discussion occurred with one Board member asserting that that since the mailing is created for July, it'd be the new person. It was noted that the language stated it should go out by the end of July. The new President stated that she'd write the report and they discussed what else would be in the mailing based on appendix E guideline. The President stated that she would put something together and send it out to the Board for approval before mailing.

2. Bond Payment Review and Approval – It has to be paid. There is no choice. We pay it twice a year and it's been paid.

3. Review of Liability Insurance Coverage needs –A review was just done in May and a now former board member also looked at it. We do have an umbrella policy.

4. Approve Version of Robert's Rules of Order to be used in meetings. – Lori Laucik (District 5) moved to approve 11th edition of Robert's Rules of Orders. Kathleen Shaw (District 7) seconded the motion. Discussion: Once it's approved it will be reordered for all members to have a copy. **Vote: Yes-7. Unanimous. Motion carried.**

5. Adopt Conflict of Interest Policy – Kathleen Shaw (District 7) moved to accept the HPPOA Conflict of interest policy previously adopted on July 20, 2016. Ruth Mizuba (District 2) seconded the motion. Vote: Yes-7 motion carried.

Lori Laucik (District 5) moved to have a committee of at least one (1) board member and four (4) community members to decide what policies should be put onto the website, and to report those recommendations back to the board. David Roe (District 9) seconded the motion. Discussion to review the existing policies to chose to share with the membership and have it available to the membership. It was noted by the GM the website itself needs an update and this was agreed by all; therefore, no new additions will be added until after the website update occurs. The President volunteered to be the Board member representative for the committee to help review the policies and procedures. Volunteers will be sought at the next membership meeting. **Vote: Yes: 7. Unanimous. Motion carried.**

6. Bank Signatory – All officers of the board are required on the signatory card. The Secretary, David Roe (District 8), didn't want to sign for the signatory because his investment advisor advised him not to risk his credit rating. It was noted that the

office had specifically told him that he doesn't have an ability to get up to speed without being granted access by the board via being a bank signatory as an officer and that all officers, per the bylaws, are to be Signatories. A discussion occurred with him.

7. Confidential E-mail Transfer Method – David Roe – Moved to Executive Session.

8. Committee Reviews:

A) Validity of Equity Road Fee Committee – The GM reported that it cannot be done because of a 1984 ruling – it is a legality and it has been tried before – there is a legal issue and it will hit a wall.

B) Human Resources Committee: Status – We haven't had one for about a year and a half. It's part of bylaws for job employee performances. Looking for two members and a Board member on this committee. There's a description in the bylaws for this committee. Leslie Blyth (District 7) volunteered to sit on the committee. **Lori Laucik (District 5) moved that Leslie Blyth be appointed as a director over the HR committee. David Roe (District 9) seconded the motion.** Discussion: There was an Employee Handbook created by that committee when it was last working. **Vote: Yes-7. Unanimous. Motion carried.**

C) Finance Committee: Status – Quorum was lost at the General Member before it was voted on. A discussion occurred.

Ruth Mizuba left the room at 8:39 a.m. Patrick Murdoch (District 6) moved to nominate Jack Oskins on to the Finance committee to fill the second required board spot. Kathleen Shaw (District 3) seconded the motion. Discussion: He accepted the nomination. **Vote: Yes-6. Motion carried.**

Lori Laucik (District 5) moved that the board get a legal opinion on how to best rectify getting the finance committee on board. Dave Roe (District 9) seconded the motion. Discussion: there are two board members on the Committee, Jack Oskins and Chris Anderson. **Vote: Yes-4, No-1 (Ruth Mizuba), Abstain-2 (Patrick Murdoch, Kathleen Shaw). Motion carried.**

8:59pm Board took a break. -- Break over @9:12pm

D) Other Listed Committees' Status: Community Action, Nominating, Park, Paths, (if these committees are no longer valid, they should be removed from the HPPOA website) – The Community Action Committee is inactive, The Nominating Committee will be re-paneled in October. The Park Committee is active and the county is in the process of hiring a company for planning. The Paths Committee is active. The Policy about Committee report required. Each Committee will be sent out a letter to reaffirm what they're doing. The President, Lori Laucik will follow-up.

E) BOD Member appointment for non-represented committees – HR and Finance Committee were discussed previously this evening.

XIII. Announcements:

Regular BOD Meeting: 8/16/17 at 6:00 p.m.
General Membership Meeting: 10/29/17 at 3:00 p.m.

XIV. Adjourn to Executive Session

Kathleen Shaw (District 3) moved to adjourn to Executive session. Lori Laucik (District 5) seconded the motion. Vote: Yes-7. Unanimous. Motion carried. Meeting adjourned at 9:18 p.m.

Respectfully Submitted and Approved:

Susan Bambara, Recording Secretary

David Roe, Secretary

Date

Date

BOD Meeting Motions Log 7-19-17

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