

Hawaiian Paradise Park Owners Association
The Board of Directors Special Meeting on July 7, 2010
Minutes

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

II. **Roll Call.**

- a) **Board of Directors:** Ron Vizzone, President; June Conant, Vice-President, Ken McGilvray, Treasurer, Elizabeth Weatherford, Secretary, Dale Watson, Keone McAllister, Leslie Estep, Francis Ganon. General Manager, Kaniu Kinimaka-Stocksdale, was also in attendance.
- b) **Guests:** Tim Blakely, John Bochelli, Jerry Carr, Joan Galante, Roger Hanson, John Hanor, Tom Jennings, Dick Koval, Deborah Koval, Jacqueline Langlais, Dori Liu, Merrill R. McAlister, Heather McNeill, Mike Mentnech, Evan Pfaff, R. E. Rainie, Elizabeth Robertson, Tommy Spencer, Steven Stein, Rod Thompson, C. Titherington, Tappan Titherington, Craig Watkins, Chuck Webb, Shane Wezenski

III. **Agenda.** Dale Watson asked for several additions to the Agenda. A point of order was raised from Mr. Carr that any new items to be discussed at Special Meetings must be announced seven days ahead of time. The President ruled in favor of the point of order. Therefore, any additional items will be added to the next regularly scheduled Board of Directors Meeting.

June Conant moved to approve the agenda as submitted. Keone McAllister seconded the motion. Votes in favor: June Conant, Keone McAllister, Ron Vizzone, Ken McGilvray, Leslie Estep, Elizabeth Weatherford, Francis Ganon. Votes against: Dale Watson. The agenda was approved as presented.

IV. **Owner Input.**

- a) **John Hanor,** Co-chair of the Park Development Committee, referred to Mr. Kenoi's commitment to develop the park. As a Committee member, he assured the Board he will continue reporting on further developments. Mr. Vizzone responded that he would be willing to pass on Mr. Hanor's contact information to Ms. Naeole-Beason who has promised to work with them. Mr. Hanor then commented that the safety and the condition of the roads have improved. He commended the General Manager and the elected officials for their work.
- b) **Merrill McAlister** quoted the trucking fee of \$93/load w driver from the March/April Quick book report. He then quoted a price he had found for a trucking fee of \$85/hr, which includes a driver. He also complained about the handling of the bids at the Special Meeting to award the paving contract. He offered his help and filed his report with the Board.
- c) **Chuck Titherington** asked for confirmation on Mr. McAlister's quote of the \$85/hr trucking fee. Mr. McAlister confirmed the price of \$85/hr or \$680 a day, it includes the driver, and a truck with a 24 cubic yard capacity; whereas HPPOA is currently paying \$749 a day for a truck with a capacity of 16-18 cubic yards. Mr. Spencer added that he charges \$90/load. The General Manager noted that bids were placed for trucking fees and decision was made based on those bids. Mr. Vizzone then assured the members that the Board will be working with the members to work these things out. Mr. Titherington commented on the improvement on the

roads, and then asked if a small difference in price makes changing trucking contractors worthwhile.

- d) Chuck Webb asked what the mulch is used for in the park. The General Manager responded that the mulch is used in different projects and along the easement. Mr. Spencer commented that the mulch is piled up to use in the shallow areas of the easements.
- e) Tim Blakely reiterated the need for the members to participate and to make discretionary use Robert's Rules, which would include directing questions to the Board. He noted that he appreciated that this Board tried to answer some questions directly, when possible; and that he did not like the old system of putting the responses on the website. Mr. Vizzone responded that this Board will try to respond to the members at the meeting in an effort to be more transparent.
- f) Rod Thompson asked for a portion of credit on some of the improvements made in the park. He also credited previous Boards, Ken McGilvray, the General Manager and the SEE workers. He added that the cost for the SEE workers is reflected in the 10% additional cost paid annually by the members.
- g) Roger Hanson inquired about the comment made by a member during the General Membership Meeting, who asked if the new Bylaws would require owners with multiple lots to pay more than one road fee. Mr. Vizzone responded that the gentleman who made the comment has three adjacent lots and has been paying one fee for the three lots. He added that there have been similar agreements in effect which were made with the original developer. Mr. McGilvray mentioned that some of these owners have consolidated their lots under one TMK. Under the new Bylaws, members would be charged for each lot. June Conant estimated that there are seven consolidated lots, which only pay one road fee. One member suggested using the frontage as the determining factor for the road fee. The Board agreed that more research might be needed.
- h) Joan Galante commented on several items on the agenda. 1) Request for records – She explained that this policy was created in 2007/8 when the Board realized that actions by the members might have resulted in hundreds of records being copied. She noted that most institutions charge a fee and suggested that maybe more should be charged to reflect the times. 2) Paving Contract – She referred to a comment made at the General Meeting which indicated that the bond funds are better left in the Bank where they accrue interest. She responded that at one time the Association was receiving interest, but with the downturn of the market, hardly any interest is being paid. She added that more paved roads means less spent on grading and gravel, etc. 3) Pro Service – She likened outsourcing to Pro Service to an insurance policy. She asked the Board to consider the services provided, such as compliance and better health care for employees. 4) SEE Employees – Ms. Galante asked the Board to consider taking advantage in a program that provides labor at a cost of less than \$1.50/hour per employee. She noted that many members have commented on the good work being done. Lastly, in response to Mr. Thompson's comment, she clarified that the 10% additional increase in road fees that members pay annually was part of the original loan agreement, not as a result of the SEE program. She confirmed that the \$1.50/hr includes any increase in fees for worker's compensation. The General Manager added that with Pro Service the worker's compensation fee has gone down a full two percent.

- i) Heather McNeill suggested the Board consider opening up the position for General Manager to the community. The President responded that this contract would be considered during executive session. He also added that after executive sessions, he would like to post the decisions of the executive session and the recorded vote of each Board member present in the Board of Director's Meeting Minutes and online. Roger Hanson stated that executive session is to discuss employee problems not contracts. The Board responded that executive session is in place to discuss certain contracts, such as personnel contracts.

- j) Bob Rainie commented on the Executive Session of June 27th, wherein he opened the meeting as Presiding Officer. As he was asked to leave, the meeting continued with no Presiding Officer. He quoted HPPOA Bylaws which state that "meetings will be conducted in accordance with Robert's Rules". He then referred to Robert's Rules which state that a Presiding Officer must be present in this situation who is not a Board Member. He therefore felt that four officers were elected illegally. He recommended a special meeting be arranged to re-elect the officers with a Presiding Officer who is not a Board Member. Ken McGilvray responded that a new corporation with no Presiding Officer could make a motion to elect a President. Once the President is elected, then he conducts the meeting. He continued that he had suggested that Mr. Rainie as President give the Oath of Office at the end of the General Membership Meeting before his office term ended. He also suggested that Mr. Vizzone as President could re-issue the Oath of Office. Merrill McAlister suggested the Board get the latest copy of Robert's Rules to follow it. One member pointed out that smaller boards do not need to follow every rule. Ron Vizzone asked the members be patient with the new Board and noted they are willing to be corrected, when it becomes necessary.

- k) Leilani Bronson-Crelly asked the Board how the meeting following the General Membership was categorized. Dale Watson said it was listed on the agenda as an executive session. Ron Vizzone stated he did not think it needed to be an executive session, and asked for verification with the Recording Secretary. The Recording Secretary verified it was reflected on the minutes as an executive session. Ms. Bronson-Crelly then asked how Rod Thompson was allowed to be present, since he is not a Board member. Did the Board invite Rod Thompson on the record? Mr. Vizzone and Dale Watson responded that he had not been invited by the Board. Rod Thompson interjected to suggest the minutes be changed to say it was an organizational session. The Recording Secretary responded that after Mr. Rainie had been asked to leave, the Board audibly confirmed to her that the meeting was an executive session. This was despite noting that Mr. Thompson was present. It was noted that the bylaws indicated that non Board members are not allowed to be present during executive session unless specifically invited by the Board to participate. Ms. Bronson-Crelly then asked why this was permitted by the same members who on previous occasions had demanded that the previous Board of Directors were conducting meetings illegally when Robert's Rules or Bylaws were broken. She then asked for an apology from the Board. Ms. Weatherford suggested the Board acknowledge for the record that they erred and should have had Rod Thompson leave the meeting. She then added that this Board would try to learn how to conduct business properly.

- l) John Bochelli asked the Board what their plan is for doing the right thing. Mr. Vizzone responded that this is the first meeting of the new Board, and asked for time to adjust. He also welcomed suggestions on how to improve. Mr. Bochelli responded that the Board might need help on how to conduct a meeting.

- m) Steven Stein commended the new Board and suggested they need a few months to get adjusted.
- n) Jerry Carr asked the Board reconsider the use of Pro Service. He stated he felt it could be done in-house for less; and if done correctly, no insurance would be needed as commented on by Joan Galante. Rather than a long-term investment, he asked the Board consider using the funds to concentrate on paying the immediate bills, or to use the funds to pave the roads.

June Conant made the motion that the Board acknowledge the error in allowing Rod Thompson to be present during the Executive Session of June 27, 2010. Leslie Estep seconded the motion. The motion was carried unanimously.

- V. **General Manager/Independent Contractor Agreement.** The Board agreed by general consensus that this item would be considered during the executive session.

- VI. **Independent Contractor Insurance Policies.** The Board agreed by general consensus that this item would be considered during the executive session.

June Conant made the motion that the Board move two items on the Agenda to the Executive Session: the General Manager/Independent Contractor Agreement and Independent Contractor Insurance Policies. Leslie Estep seconded the motion. The motion was carried unanimously.

- VII. **HPPOA Attorney.** The General Manager submitted a letter of legal engagement from Mr. Ivan Van Leer. Some discussion ensued about his qualifications. Mr. McGilvray asked the Board consider reinstating Mr. Ted Hong. Some discussion ensued on his qualifications as well as his experience with HPPOA.

Dale Watson made a motion to hire Mr. Ivan Van Leer as attorney. Elizabeth Weatherford seconded the motion.

After discussion, the Board agreed that both candidates should be interviewed by the Board before any decision was to be made.

Mr. Watson withdrew his first motion.

Elizabeth Weatherford made a motion to invite both Mr. Ted Hong and Mr. Ivan Van Leer to address the Board. Dale Watson seconded the motion. Votes in favor: Ron Vizzone, June Conant, Leslie Estep, Dale Watson, Francis Ganon, Elizabeth Weatherford, Keone McAllister. Votes against: Ken McGilvray. The motion carried.

VIII. Request for Records.

Ken McGilvray made the motion to change the request for records fee from \$2.00/page to \$.20 cents/page. Francis Ganon seconded the motion.

As part of the discussion, it was noted that the fee discourages mass copying; and many records can be petitioned by the members through their Board representatives, as they receive copies free of charge.

Votes in favor: Ron Vizzone, Ken McGilvray, Francis Ganon. Votes against: Keone McAllister, Elizabeth Weatherford, Dale Watson, Leslie Estep, June Conant. The motion was lost for lack of a majority vote.

- IX. Paving Contract, Phase III and Engineer's Report.** Mr. McGilvray reported that at the last Board Meeting, it was announced in the Engineer's Report that the Contractor was behind some 45 day and has estimated another 60 days to complete the work. He added that the late fee charges could add up to some \$100,000. He also asked the Board address an overpayment to Loeffler Construction of \$320, 877.81. The Board discussed the Phase II and Phase III contract details, including 7,000 tons of base materials, which were added on, but were not part of the original estimate. It was noted that the Engineer acknowledged that Loeffler did not fully understand the Phase III contract. Some question was raised as how much the rain delays had effected the completion date. The President noted that he had ordered the General Manager to stop payments to Loeffler until the Board could address the issues of the discrepancies in the added costs of additional materials and the consequences of the delays. The General Manager was asked to obtain the rain delay records from Mr. Paul Nash in order to provide the Board with accurate information. It was also noted by Mr. Tommy Spencer that the mat used was ineffective, as it did not seal properly. The result was that it is currently separating from the asphalt in some locations. He mentioned that due to the fact that there is a one-year warranty, Loeffler is going to pay for repairing these roads using their own materials. Mr. Spencer advised the Board that a better method would have been to spray the overlay with oil. It was noted that the decision to use mats was on the advice of the original Engineer, Mr. Nickel. Ms. Weatherford asked if the current Engineer, Mr. Paul Nash could report to the Board on these issues.

Elizabeth Weatherford made a motion to invite Paul Nash to report to the Board at the next Board Meeting of July 21, 2010. Francis Ganon seconded the motion. The motion passed with unanimous approval.

Dale Watson asked that the report include details on the extra work and materials not originally included in the bid, as well as how many days Loeffler should have had for this work.

- X. Striping Contract.** Mr. Vizzone asked if the first payment to the Contractor had been cashed or if it could be rescinded, so that the work could be done by HPPOA instead of Aloha Paint Company. The General Manager reported that the first installment of \$10,000 had already been requested from Union Bank, and they forward the check to the Contractor. The Board discussed the cost and labor involved to do the work in house. The General Manager noted that the estimate and payment of the first installment of \$10,000 was approved by the Board on June 16, 2010; and the estimate was signed on June 21, 2010. The Board decided not to take any further action at this time. No motion was made.

- XI. Human Resources Pro Service Contract.** Mr. Vizzone expressed concern over the costs of Pro Service versus the costs of in-house Human Resources. The Board compared health care benefits and other costs associated with HR.

Ken McGilvray made the motion to eliminate Pro Service and return to an in-house Human Resources Department with the same medical plan as before, like the Kaiser plan. Francis Ganon seconded the motion.

It was suggested that the SEE employees be cut from Pro Service to lower costs. After some consideration, the Board asked the General Manager to provide a cost comparison report of Pro Service versus in-house Human Resources.

Votes in favor: Ron Vizzone, Ken McGilvray, Francis Ganon. Votes against: Keone McAllister, Elizabeth Weatherford, Dale Watson, Leslie Estep, June Conant. The motion was lost for lack of a majority vote.

- XII. SEE Hawaii Employees.** The General Manager provided the Board with the annual net cost total for eight employees, which is \$18,845.00, without the Pro Service fee. Mr. McGilvray spoke against HPPOA using SEE Hawaii employees. Discussion ensued about the work training they receive, the work ethics they learn, and the social impact of helping the community. It was noted that the program would end for these participants in November, 2010. Mr. Vizzone asked the General Manager to obtain the Board's approval before rehiring a second group.

Dale Watson made the motion to continue participating in the SEE Hawaii program. Leslie Estep seconded the motion. Votes in favor: Keone McAllister, Elizabeth Weatherford, Dale Watson, Leslie Estep, June Conant. Votes against: Ken McGilvray, Francis Ganon. Votes abstaining: Ron Vizzone. The motion was passed with a majority vote.

XIII. Committees.

a) **Finance.**

Ron Vizzone made the motion to reinstate the Finance Committee with the current Treasurer, Ken McGilvray as Chairman. Leslie Estep seconded the motion. The motion carried with unanimous approval.

b) **Human Resources.** Discussion ensued about whether or not a Human Resources Committee was needed in addition to Pro Service.

June Conant made the motion to postpone the decision on reinstating the Human Resources Committee until the Board can decide whether to keep Pro Service. Elizabeth Weatherford seconded the motion. Votes in favor: Ron Vizzone, Keone McAllister, Elizabeth Weatherford, Dale Watson, Leslie Estep, June Conant, Francis Ganon. Votes against: Ken McGilvray. The motion was passed.

c) **Paving.** There was a general discussion about the composition of the Committee. The General Manager addressed the issue of the unsealed bid at the Special Meeting on June 22, 2010, noting that it had been received as an email at the HPPOA Office. It was then printed and then placed in an envelope, but not sealed. Ms. Stocksdale added that she had hoped that

she would have been allowed to address this issue at the meeting to allay any misunderstandings.

Ken McGilvray made a motion that the whole Board become the Paving Committee with at least two Committee members chosen from the general membership at large. Ron Vizzone seconded the motion. Votes in favor: June Conant, Keone McAllister, Ron Vizzone, Ken McGilvray, Leslie Estep, Francis Ganon. Votes against: Dale Watson. Votes abstaining: Elizabeth Weatherford. The motion passed with a majority vote.

XIV. Announcements.

- a) Mr. Vizzone announced that he asked Mr. Rod Thompson to be the new Editor of The Conch.
- b) Mr. Vizzone announced that for the sake of transparency, he would like to post the decisions of the executive sessions and the recorded vote of each Board member present in the Board of Director's Meeting Minutes and online.

XV. Adjournment. Adjournment at 9:45pm to reconvene in Executive Session to determine which independent contracts will be honored and which will be cancelled.

June Conant motioned to adjourn meeting and Ron Vizzone seconded the motion. The motion was passed with unanimous approval.

Respectfully Submitted:

Denise Warner, Recording Secretary

Date

Elizabeth Weatherford, Board Secretary

Date

Motions Log

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