

**Hawaiian Paradise Park Owners Association
General Membership Meeting
Minutes of October 26, 2008**

I. Call to Order. President Jeff Spaur called the meeting to order at 3:00 pm.

II. Attendance.

Members. Derick (Last name illegible); Kim (Last name illegible); David (Last name illegible); Bobbie Alicen; Erhrad Atrata; Paul Baillie; Rick Baller; Walter Bell; Tim Blakley; Joy Brennan; Larry Brennan; Kerry Burrell; Fran Calvert; Glen Calvert; Jerry Carr; June Conant; Gary Covey; Jim DeVincent; Mary DeVincent; Randy Dresselhaus; Joan Galante; Kile Golden; Thomas Hanger; Roger Hanson; Sue Hanson; Richard Henderson; Derek Ho; Barbara Kahn-Langer; Kaniu Kinimaka-Stocksdale; Scott Koontz; Richard Koval; Julie Lindbergh; Suzanne Mayhew; Ken McGilvray; Heather McNeill; Neal Michael; Inge Misajon; Ruth Mizuba; Noel Morata; Det Picher; Tom Picher; Larry Pirtle; Bob Rainie; Ahmed Rifi; Thomas Sainicki; Jeff Spaur; Ron Vizzone; Sandy Vos; Keith Whitaker; Robin Wright.

Guest. Police Commissioner Karolyn Lundkvist.

III. Announcements.

Neighborhood Watch. Kyle Golden, coordinator of the Neighborhood Watch reported that the latest Neighborhood Watch trash pickup resulted in 14 people attending and picking up 43 bags of litter. These events take place every three months. In addition, there are the regular monthly meetings of the Neighborhood Watch where the local Police Officer will answer your questions.

IV. Introductions. Jeff introduced Suzanne Mayhew, the General Manager. Members of the Board of Directors in attendance were:

Bob Rainie, District 1
Ken McGilvray, District 3
Ron Vizzone, District 4
Jeff Spaur, District 5
Randy Dresselhaus, District 6
Kaniu Kinimaka-Stocksdale, District 7

VI. Minutes. The minutes of the meeting of June 29, 2008, were reviewed.

Suzanne Mayhew moved that the minutes of the meeting of June 29, 2008 be approved as submitted. Jerry Carr seconded the motion. The motion was approved unanimously.

VII. Treasurer's Report.

Jeff noted that Suzanne Mayhew and Ken McGilvray have been working hard to upgrade HPPOA's accounting and accountability systems. We are getting more accurate and timely reports.

Ken McGilvray presented the Treasurer's report, of which everyone had a copy. He explained the various accounts and the amounts in them. He noted that we just making interest payments on the construction bond. Our paving expenses to date have been about \$249,000 per mile. The original bid made by Loeffler was about \$295,000 per mile. He also reviewed which roads have been paved and which will probably be paved in the near future.

In reviewing the Roads budget, Ken noted that the budget is at 40% for the year. The reason for this is that only one debt service payment was included in the 2008 – 2009 budget, when two such payments are

required each year. The bottom line is that, if you take into account the requirement for two debt service payments each year, we are otherwise on target for the year's budget.

Roger Hanson of District 4 asked what is happening with the Coqui eradication money. Ken said that the funds are being protected as they are strictly for Coqui eradication. We have some spraying equipment that will be maintained with those funds, and the fund will be available when there is another Coqui eradication effort.

Jim DeVincent asked how safe our investments are with the problems with the economy. Ken said that we are careful with our CDs and investments. We keep all of our funds in separate accounts so that they are protected by the government insurance programs. He said that our lender, Piper Jaffrey, is confident that we have invested the large part of the bond funds securely.

Paul Bailey of District 2 asked about the interest we are earning on our \$9 million and whether we should try to lock in a price for the paving at this time. Suzanne Mayhew assured him that we are making good interest on the funds, and that the cost of the paving supplies have started to decrease from their high over the summer. Ken also reminded the audience that we are letting contracts in small chunks so that we try to get the most from our money without being locked into one contractor for the entire project.

Jeff Spaur asked if there is a difference in the interest we are earning and the interest we are being charged by our lender. Ken replied that we are being charged 6.92% . At present our reserve account is at 5.05%. The main bond account is at the variable commercial paper rate, which is very low.

VIII. General Manager's Report. Suzanne Mayhew presented her report. In discussing what make a road expensive, she noted that some of the main problems are recurring potholes, deterioration at intersections where people stop and start, heavier traffic roads, roads on slopes don't hold rock well and have deep ruts after a big rain, embedded lava protruding through the surface. These have a higher financial impact than the other roads.

Paul Bailey asked if our road maintenance money is dedicated to debt service, what are we using for road maintenance. Suzanne assured him that we are cutting expenses in other areas so that we can continue the road maintenance. Ken McGilvray said that we do have funds in the budget for road maintenance. He also addressed the article by Ken Thompson in the Conch, noting that the figures in that article are based on the faulty assumption that road maintenance fees will be raised 10% every year. In fact, the board has to make a decision each year based on that year's situation, and it is not a requirement that the fees be raised 10% beyond the next 4 or 5 years.

Jerry Carr asked if the projections for the road maintenance included the paved roads, as they need maintenance also. Suzanne stated that there will be sufficient funds for maintaining the asphalt roads, including such activity as mowing and repairs. Jerry also asked if we had considered saving some of the bond money to repay the debt rather than spending it all. Suzanne stated that has not been under consideration. Jeff Spaur stated that the funds were lent to us to pave roads not to pay for debt service.

Ken McGilvray asked how the new database for the office is progressing. Suzanne said that the development of the Access Database, but that this year's billing will be the same as for the past 30 years.

There was a question about areas where there is paving sporadically along roads. Suzanne said that, in the case where the paving is intermittent, because people have paved in front of their lots, it is hard to maintain the gravel road in between the paved areas.

IX. Special Reports.

- A. Parks Committee. Kaniu Kinimaka-Stocksedale presented the report for the chair of the committee. She stated that there was nothing new to report. The association is still working to try to get the County to build a part on one of the 20-acre parcels owned by HPPOA. Heather McNeill asked a question about what activities will take place in the part. Kaniu said that there is a list going around to ask for members for the Park Committee to help advise the County on the uses for the park.
- B. Bylaws Review Committee. June Conant reminded the audience that there are two Bylaws Committee. One committee is dealing with some road related issues. In June, the committee chaired by June Conant was formed to address the entire body of the Bylaws. She stated that this committee does not have a proposal for this meeting, but that she did want to bring the membership up to date on what is going on with the committee. There are five members who meet every Friday morning in the Library. She said that the committee is opened to suggestions. There are forms available to make suggestions. There was to be an open meeting scheduled for later in the Fall to which everyone is invited. There will be a draft of the proposed Bylaws available at that meeting.

One member of the committee has had to resign due to an extreme travel schedule, and the committee needs another member.

June Conant moved that Bobbie Alicen be appointed to the Bylaws Review Committee. Suzanne Mayhew seconded the motion. The motion was approved.

Roger Hanson asked why we were reviewing the Bylaws as he was under the impression that we had the most “looked-at” Bylaws because of the review of the courts. June said that a lot of what they are proposing in housekeeping in nature. We have found sections in one place that should have been in another place. There are also sections that are no longer applicable to what the organization is doing now. An example is the initial set up of the Board of Directors. Now that we have a history with the Board, we no longer need these sections. We found some items that were missing or incomplete, such as the transitional meeting between an old Board of Directors and a new Board.

- C. ENET. Mary DeVincent, a member of the ENET committee, introduced ENET as a group that is involved in trying to assist people who live in the tsunami zone in HPP to get notification of a tsunami. ENET also tries to work with Civil Defense in other emergencies, such as hurricanes or earthquakes, to help HPP’s residents. A recent activity has been to work with Civil Defense to become members of the Community Emergency Response Team (CERT). We currently do not have enough members to help with this. The ENET team meets every 2nd Wednesday of the month in the library. Several members have also become Ham Radio operators. The group also has fund-raising needs, and would welcome help in learning how to obtain grants.

X. Unfinished Business.

- A. Paving of HPP Roads. Jeff Spaur said that the Board has been trying to develop a meaningful plan to present to the membership. The objectives have been to benefit as many members as possible and to reduce road maintenance as much as possible. He said that the Board is going to working to get the best value for the money we spend on contractors. We hope to have this done by the next Board of Directors meeting.

Questions and comments included:

There was a question about whether the engineers approved the changed specifications for the roads. Jeff said that there are ongoing discussions with engineers. All that we have been doing is changing the base for the asphalt, allowing asphalt to be laid on lava if it is available.

A member asked we were doing to follow the advice of the Piper Jaffrey representative who said that we should pave the roads with the highest maintenance costs. Jeff said that the Board is reviewing the list of the roads that are to be paved. The revised list will be based on the cost of the maintenance of the road, the volume of traffic, and the number of residences adjacent to the road. He explained how we determined these roads.

There was a questions about whether there should be a cost adjustment if the specifications for the paving are changed. Jeff said that we will be changing the specifications for the next contract, and he expects that the cost will be different. We are also working with the current contractor to keep costs under control and they are working with us on that.

There was a concern expressed that we are again in a situation where can only pave a small percentage of the side roads and that we might open ourselves again to a suit from those property owners who are not getting the same level of improvements as others. Jeff said that we will covering as much of HPP as possible. Suzanne said that she is hoping that those whose roads do not get paved will get much better road maintenance service as more and more roads are paved because the resources will be available to do that. Jeff agreed that we may be open to litigation in the future. We are going to try to do the paving in as open a manner as possible to avoid this. We will make the board accountable and document everything.

There was a question about what happened to the idea that everyone in HPP would have access to paved crossroads within at least 3 blocks for emergency vehicles. Jeff said that we will not be forgoing a grid work system.

There was a question as to whether, now that the price of oil is going down, the price for the asphalt is also going down. Jeff said that we will be negotiating the new contract hopefully with the price of oil lower.

There was a question about a street that looked prepared for paving not getting paved. Jeff said that there is no final decision about any particular road. We have just moved resources around for the present.

Bob Rainey reviewed with the membership what had been done in the past as far as decisions as to which roads were to be paved, and said that the current Board has been ignoring this.

There was a question about speed bumps. Jeff said that we asked our insurance source and the response was favorable to speed bumps. There was a suggestion that people whose roads are going to be paved be asked prior to paving if they want speed bumps. Jeff stated that speed bumps are not in the budget at this point but will accept a proposal from any member/group in the community.

There was questions as to whether the bond proposal referred to all the side roads. Jeff said that it did not. The bond states that which roads we pave are discretionary.

There was a question as to whether this will be dealt with at the next Board meeting. Jeff said that was the intention. This same person said that the original plan should be carried out and then the

idea of paving the most costly roads should be addressed. This would keep the promise to those who were told that their roads would be paved.

There was input from an owner on 16th who stated that he did not want his street paved. But he was concerned that there was information that had been provided through various means as to which roads were going to be paved. He said that he understood that there was to be a committee to review what should be done as far as paving and present recommendations to the board. He said that he understood that this committee has been disbanded but did not know why. He agreed with the previous speaker that we should go back to the original promises to owners and create a new paving committee to review what should be done. He said that he thought that there would be a backlash if people who had been told their roads would be paved learn that they are not going to be paved after all. Jeff Spaur said that, for the last few months and going forward, there will not be a lack of documentation of decisions made. A decision as to which roads will be paved [beyond the initial roads under the current contract] and when has not yet been made. But the board has decided that there is greater accountability with the board making these decisions rather than a committee.

A member from District 9 noted that there had been a committee that researched the paving issues. But the committee did not make the final decision; the board made the decision. Then, when the price of oil made these plans more difficult to carry out, the Board had to make adjustments. She stated that she supported the notion that the high cost roads be done first because that makes more money available to maintain the remaining roads and pay back the bond.

A member from District 2 expressed concern that there would not be sufficient funds available to improve the main roads after the side roads are done. Jeff said that the Board now knows what it will cost to improve the main roads, and this will be included as the budget is prepared for 2009.

A member from District 1 said that she had been on the Board, and the Board always heard reports from the Paving Committee. She said that there was a plan, and that was documented in the reports to the Board. The project had been divided up into three phases. She said that it was easy to work with the contractor to make changes that made the contract work more economical. But all those changes were documented in Board minutes.

A member from District 7 said that she would like to have an explanation be given to the membership about why the changes were made. There need to be stated criteria for selection of the road to be paved and that way people will understand why roads are selected for paving. Jeff said that there needs to be a cohesive plan going forward and the Board has agreed that there needs to be better documentation. The guiding document for us now is the bond, and there are three criteria in the bond document.

Another members suggested, in view of the current economic conditions, that we use the \$9.5 million to pay back the original bond, abandon the current project, and rethink how we are going to go forward. Jeff said that this is something that can be considered.

There was a further comment about the overlay of the main thoroughfares. He said that there is a safety issue on Paradise below Railroad, and that should be considered quickly. Jeff said that we still have budget issues and this will be considered as we develop the budget.

B. Welcome Packet

Bobbie Alicen introduced this subject. She said that she and some other HPP members felt it would be a good idea to have a welcome packet for those moving to HPP. The idea of the packet was originally introduced to the membership at the last meeting. The General Manager had expressed a concern about the cost of mailing such a packet, so a decision was deferred until this meeting. Since that time the group has learned that this is, indeed, costly, so there would need to be an ongoing fundraising effort to support this project. The group felt that it did not have the resources for this fundraising effort. Further, HPPOA's mailing list is confidential and they often do not have the staff to take the materials and to prepare it for mailing, even if the materials and postage could be paid for. The group will prepare and provide for the office electronic copies of materials such as a brochure regarding landscaping, including environmentally appropriate plants, sustainability issues, and how to determine the impact that any landscaping might have on areas of historical Hawaiian importance. As the office staff has the time and opportunity, they will use and distribute this information.

XI. New Business. Suzanne Mayhew advised the President that there was no longer a quorum so that there could not be any motions related to new business. It was decided to move to owner input.

XII. Owner Input.

Leilani from 27th and Maku'u. (Note that she gave no last name, nor was she signed in for the meeting.) She complained that the road signs are very hard to read in the rain at night. She proposes upgrading our signage so that we can see it better. She proposed a stencil in the road with reflective paint.

Barbara Kahn-Langer thanked the Board for coming together cohesively so that there is not a need for so many committees. She also asked that thank you letters be sent to members who have served on a committee. She also asked that her Bylaw Committee be put on the agenda early so that there can be a vote.

There was a complaint about the problem of a quorum and asked that issues that require a vote be put at the beginning of the meeting.

Walter Bell asked if the President would address the question about use of the HPPOA 20-acre parcels for commercial purposes. Jeff said that we have been working to solve the problem of HPP's not being able to use the parcels for commercial purposes. Ken McGilvray said that he is working to try to get changes made to the deeds for these parcels so that they can be used for mail boxes for HPP residents.

There was a question about which parcels in HPP have been zoned commercial by the County, and how that compares with the HPP Master Plan, and how this impacts commercial development in HPP. Jeff said that he would research the zoning and have information in the office on Monday morning.

Barbara Kahn-Langer said that anyone who is interested in either Bylaws committee may call or e-mail her.

XIII. Announcements.

Police Commissioner, Karolyn Lundkvist, announced that her term is about to expire and said that there is a need for a new Police Commission for the district. She explained the role of the Police Commission, and invited anyone with questions to call her.

The next General Membership Meeting is February 22, 2009, at 3:00 pm at the HPP Activity Center.

XIX Adjournment.

The President adjourned the meeting at 5:20 pm

Respectfully Submitted:

Kaniu Kinimaka-Stocksdales, Board Secretary

Motions Log

Suzanne Mayhew moved that the minutes of the meeting of June 29, 2008 be approved as submitted. Jerry Carr seconded the motion. The motion was approved unanimously.

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