

Hawaiian Paradise Park Owners Association
APPROVED – Board of Directors Meeting Minutes
June 21, 2017

I. Call to Order: President, Patrick Murdoch (District 9) called the Board of Directors Special meeting to order on June 21, 2017 at 6:13 p.m. Quorum was established. The meeting took place in the HPPOA Hui Activity Center Library.

II. Roll Call:

Board of Directors: Patrick Murdoch (District 9), Ruth Mizuba, Vice President (District 2), Chris Anderson, Treasurer, (District 8, Leilani Bronson-Crelly, Secretary (District 5), Jeff Finley (District 3), **Absent:** Larry Kawaauhau (District 1), Keone Kai (District 6)

Guests: Shawn Merrill, Bob Merrill, Leslie Blyth, Judi Houle, Rosemary Brown, Lori Laucik, Kathleen Shaw, David Roe, Alexa von Alemann, Steve Crawford, Mayelin Stillwell, Don Morris, GM

III. Approve Agenda

Ruth Mizuba (District 2) moved to approve the 6-21-17 meeting agenda as amended. Leilani Bronson-Crelly (District 5) seconded the motion. Vote: Yes-5. Unanimous. Motion carried.

IV. Approve Past Minutes:

Leilani Bronson Crelly (District 5) moved to approve the May 17, 2017 BOD Meeting Minutes. Ruth Mizuba (District 2) seconded the motion. Vote: Yes-5. Unanimous. Motion carried.

V. President's Report – Patrick Murdoch – had an interesting time at county bldg last Friday. Several members in HPP put out a flyer expressing their desire to rid the isle of rooster ranchers. There were 25 to 30 residents of HPP in attendance regarding this issue and they were pretty upset about the 150 roosters moving in. He stated that he listened to Mayor Kim speak around the issue, but didn't confront what was presented. The Mayor walked down Bay Street and counted the homeless, he spoke about Mauna Kea and his role as a peacekeeper. By the end it was obvious that the county is basically too busy to help with this situation. The President suggested the community member bring it up to the General Membership meeting next Sunday. There were a lot people and there doesn't really seem to be an answer. They had hoped to get the county to enforce the ban on cock fighting. There's also the fact that they're not really bred for food as would be a true Ag use of the land. He would like to have something done about it, but what are we to do? It's a whole can of worms. Short of putting it in CC&R's, but that would be a handful and large expense. Noise levels were discussed, as well as the subsequent lowering of property values. Passing a resolution could be explored, but it really is a county problem because as noted so often, the Board is only to address road maintenance and this isn't an issue for the Board although all would really like to see something done about it because he feels for and supports those members dealing with this situation.

2) After the General Membership meeting on July 25th, the new Board members will be here and elect officers. A discussion about bylaw timelines for events ensued with his request to reschedule the process for the 19th at 5pm because not all the members who won will be in attendance at the General Membership Meeting. **Jeff Finley (District 3) moved that there be an orientation meeting and election of officers on June 29. No Second was made**, but a discussion ensued with consultation of former President Craig Crelly. It was noted that it would be a non-action meeting, so publishing of it, is not required by the bylaws. Former directors can attend.

*NOTE: The Report from **Section VIII. Committee Reports** was bumped up per request of the chairperson because she was feeling ill: **Road Equity Committee-** Alexa Von Alemann – They are still working on the report, but will be sharing the information in their Sunday presentation at the General Membership Meeting. They are working on a formula for at least three types of roads.*

She added that her committee was somewhat stymied as to how to work as a committee for the board and hoped that future committee members would have more guidance to which someone pointed out that there is a Committee policy document on the website.

VI. Treasurer's Report – Chris Anderson

Bank Balances as of the end of May 2017:

Total Checking, Savings, Investments and Bond Reserve: \$6,725,990.40

Total Accounts Receivables: \$2,495,273.61

In January 2017 HPPOA billed \$2,722,568.00 for Road Maintenance. Of that, we have collected approximately \$2 million as of the end of May. Currently, there is a total of \$2.4 million to be collected; this amount includes billings that have yet to be paid for the current years and all prior years as well as finance charges, lien fees, transfer fees owed on property transfers and other miscellaneous income.

Delinquent bills were process and out the first week of June. There were about 1900 past due bills mailed.

There were 62 property transfers completed during the month of May, as well. A number of these transfers included accounts with past due balances.

The Association placed about 60 liens on delinquent properties during the month of May.

VII. General Manager's Report – Don Morris

Aloha, thank you for all the road maintenance and safety requests this past month. I have not prepared my usual report due to having been heavily preoccupied with several very pressing issues, but we are starting to lay down chip seal, tomorrow, on 23rd, Maku'u – Paradise. After that we will go immediately to 25th, Maku'u – Paradise, and then to 31st, Maku'u dead end, and then we'll be at 30th dead end, which will complete our first phase of the dust abatement project.

Other than that, we've been picking up a lot of trashing, dealing with a lot of abandoned cars, mattresses, 5 dead pigs, and a torn down house left on a road – it costs \$85/ton for the trash dumped and collected in HPP.

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

Bylaws Committee – Chair Milton Pavao – A committee member, Mayelin Stillwell stated that a report will be given for the upcoming General Membership Meeting. They are working in article 8 section P, and they have been meeting regularly.

Equity Road Fees Committee – Alexa Von Alemann gave a report verbally (see above) – they asked three questions that were submitted to the board. (See comments above because she had to leave, due to illness).

Mailbox Committee – Chair, R. Mizuba

The Mailbox Committee is drafting a letter to Edine at Keaau Post office to include info that they had requested including, the USPS breakdown of the construction requirement and specs, if any that the USPS require of us for the two centralized locations selected for mail delivery. The Committee is also going to request information on getting help financing the purchase of the USB's since USPS has so far stated that we will need a box for every lot and that numbers over 8,800. This is an issue of concern for us since Ainaloa Subdivision, just down the road from us, receive their USB's at no charge by the Pahoa Post Office. Edine at Keaau USPS was to get back to the Committee, but they have not heard from her yet; therefore, they are drafting a written correspondence to her and they would like any input from the committee members who would like to add to the above mentioned topics before the letter is drafted and sent out for approval. Please write your ideas and give them to the committee chair or email them to lesliekeaau@aol.com. Please note that she is off-island until mid-July and will not be available to work on this until she returns. The next Mailbox Committee meeting July 13 at 1pm.

PMAR – Chair, Leilani Bronson-Crelly – stated that they will be making a brief presentation at upcoming General Membership meeting.

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

They had their **Albizia workshop**. President Patrick Murdoch was there with Bill Buckley, and they did a walk around, talked about areas by the office and activity center in need of treatment. They discussed doing some of the albizia trees behind the office that aren't in the hazard zone.

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. There are 364 residents signed up. They live here in the park. The next food pantry will be June 27, and volunteers are gratefully requested.

Fire Ant workshop – The next one will be at 2 pm, Saturday, August 5, at the Hui pavilion. They'll have a power point presentation and then they'll be talking about how to mix the tango bait. That's what they have used around the pavilion and they will try to treat at the playground next time.

Emergency Access Team - They had their annual hurricane disaster exercise on May 27 at 8am. Radio base station and medical unit were set up. It was very successful.

Neighborhood watch and CERT teamwork together in the event of a disaster. In their drill, they sent out three search and rescue teams all trained through civil defense and the fire department. Every time we improve, we become more capable. There will be training in October if anyone would like to volunteer and join. November will be the radio team training.

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

Lori Laucik – wanted to verify that the “Statement of Officer” forms are there for the new directors to sign at the General Membership meeting. Also inquired about when the orientation meeting is to be held.

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.
2. **Upgrade to HPPOA Web Site (www.hppoa.net)**: They are looking at three local. They will get a bid by having them come out and look at what we want to do with it. Time-Warner sold out spectrum. The contract comes up in a few years and they provide us with free the storage we have here, but we will have to see what Spectrum allows.
3. **Update Status on Food Establishment Permit** – Don Morris – They spoke to the State Department of Health and they had a permit until 3-31-14. He was told there would be no need for inspection or renewal because we weren't using it. We could apply for renewing the food establishment permit, or whomever using the kitchen could apply for temp permits whenever they use it. The application is good for four times within a certain amount of time. The permit costs \$150. We have a rental fee for the kitchen and that is paid to the non-maintenance fund. The board can decide what they want to do and it was decided to replace the three year expired food establishment permit. **Chris Anderson (District 8) moved to reinstate the food establishment permit. Leilani Bronson-Crelly (District 5) seconded the motion.** Discussion: it's not a commercial licensed kitchen for people who are selling production items. A discussion ensued about people being able to apply for temporary permits for products made to sell in kitchen. **Vote: Yes-5. Unanimous. Motion carried.**
4. **Request by Mayelin Stillwell, Resident, to amend Approved Board minutes of 12-21-16 – Patrick Murdoch (District 9) moved to correct the 12-21-16 meeting minutes by placing “recall form” where it says “arbitration form” on section four of page 4 (of 7). Jeff Finley seconded the motion. Vote: Yes-5. Unanimous. Motion carried.**

Wanted other sections removed on page 4 of 7, section 4, second paragraph.

Leilani Bronson-Crelly (District 5) wanted it noted for the record that Mayelin Stillwell was not at the 12-21-17 meeting in which she requested information removed.

Jeff Finley (District 3) moved to strike first sentence, strike the word, “falsely” on page 4 of 7, sect 4 second paragraph, and in the second sentence remove the word “falsely” and at the end of paragraph, then add a period after the word “lost” along with the removal of “with all their accusations proven to be lies.” **Vote: Yes-4, No-1 (Chris Anderson/District 8), Abstain-0. Motion carried.**

BREAK 7:45 – 8:02

5. REVISED Preliminary FY 2017-2018 Budget – Continued from May 17, 2017 – Don Morris and Chris Anderson

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 budget were based on a difference of 340 to 390 lots, which then would reflect 7990 versus 8375 revenue difference. 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.

Discussion about not taking the finance committee's recommendation. Wages were the number point of dissension. The GM noted that he was supposed to have a minimum of five employees on road crew, but he only had 4, and he only had two people working in the office, instead of the three he's supposed to have in that area, so he was understaffed and that was part of the reason for coming in under budget. In March of 2016 wages were voted upon and need to be a considered part of the budget to cover those employees and hire at a rate that will allow the Association to keep and get to choose good, loyal, long-term employees. The GM's budget meant to cover all the above-mentioned items and more is \$40,000 over what he spent last year and that was without the proper number of employees. He was short staffed.

His proposal is \$63,000 over what finance committee is recommending, adds the road crew they've been short staffed and gives some budget for unforeseen overtime that comes up for things like trees down and trash left on roads, like huge broken pieces of a house left on a road this past month that wasn't safe -- those things have to be picked up immediately, whenever they come up. There's no consideration for overtime in the Finance Committee budget. What happens on rain days or if police call on Sunday night to remove a down tree, which happens more often than one would think - that makes overtime. The difference accounts for those often-possible needs for overtime. He went off of last year's numbers for all his employee calculations. He also stated that his budget would give us the opportunity to supercharge our road efforts to fix the roads and fulfill the DOH requirements.

There was a large discussion with members in the audience who were also on the finance committee because they said that because they didn't pass a budget recommendation, then he suggested that the next board make the budget instead. A discussion ensued about committees and that they are an adjunct of and to the Board and that per the bylaws the board has absolute final authority.

Article 8 Section 10 – was read into the record. "As budgeted by the board." Nothing relieves the board of responsibility. Bylaws page 19 of 34 was cited.

Shawn Merrill – The Secretary of the finance committee stated that they went line by line item, but that at the end of their meeting they did not know when they concluded their meeting if they were in over or under their proposed 7990 lot amount for calculation. She stated that it was still in discussion and not complete.

We collected 2.9 million so how are we over what they recommended, but some members of the Finance Committee stated that although we have it, they wanted to know what would happen if the association didn't have it and that was why there was disagreement as to what they would recommend, had they come to an agreement at their last meeting.

The President replied that is not the way that the cash flow works, they collect it before you spend it. The money collected last year is for this year.

It was noted that other revenue is also coming in including the 62 lots that paid up past due fees, and transfers, of which we did 25 transfers last week alone. The discussion continued.

Ruth Mizuba (District 2) moved to approve the budget as per the GM's recommendation. Jeff Finley (District 3) seconded the motion. Discussion: We can send it back to be re-examined. The new board has the authority to change it at any time. The finance committee can make whatever recommendations they'd like. **Vote: Yes-4 , No-0, Abstain-1 (Chris Anderson/District 8) motion carried.**

XII. New Business:

1. Election Results for IN-Coming board Members 2017 – Robert Merrill, Co-Chair Elections Committee

The Nanawale Community Association counted the ballots for us. Six people ran unopposed. Everyone won.

District 3: Kathleen Shaw - 25 Votes

District 4: Jack Oskins - 36 Votes

District 5: Lori Laucik – 69 Votes

District 7: Leslie Blyth (Karen Martin Withdrew) – 74 Votes

District 8: Chris Anderson - 24 Votes

District 9: David Rue – 83 Votes

- 2. **Consider Proposed Hierarchy Matrix** – Patrick Murdoch – An HPPOA Chart of flow of Information and Command was distributed for perusal – **Chris Anderson (District 8) moved to adopt a the hierarchy as policy and post it in the office. Ruth Mizuba (District 2) seconded the motion.** Discussion: It states that all committee matters go to the board and also makes clear who goes to whom. If members have an issue, they bring it to their representative and the representative is to bring it to the Board or the GM. There is a box for every board member where people can put their issues. This policy can be changed over time, but it's to let people know the path to resolution and the chain of command. **Vote: Yes-5. Unanimous. Motion carried.**

- 3. **Bond Transfer Notification from San Sabia Capital to DEPFA ACS Bank & Required Signature – Don Morris** – Our debt was sold to another bank and it needed to be acknowledged by us. Ruth Mizuba already signed this form back in September 2016, but now the banks are actually doing the transfer and they want it signed again. Ruth Mizuba, VP, (District 2) signed it again, and gave it back to the GM.

- 4. **Consider Rescinding Previous Motion on Non-Judicial Foreclosure Funding (\$10K) – per 4/19/17 – Board** – You cannot foreclose on Non-judicial in the entire district of increment 1. **Ruth Mizuba (District 2) moved to rescind their previous approval vote motion on the non-judicial foreclosure funding of \$10,000. Patrick Murdoch (District 9) seconded the motion.** Discussion: Increment 1, lot ownership, discussed because they own a portion of the road and it's in their deed. The Association wholly owns Increment 2 roads. Discussion ensued.
 We have foreclosures coming up and it won't cost the Association a dime. The court stated that the Association cannot foreclose on property. The GM has an aggressive program collecting past road fees. We have staff successfully collecting money: A half a million dollars collected this year over \$300,000 last year, all collected by the office without costing the subdivision. Our land use attorney, Thomas Yeh says we cannot foreclose on any property, which he found when researching the dust issue. **Vote: Yes-3, No-1 (Chris Anderson/District 8), Abstain 1 (Jeff Finley/District 3) - Motion carried.**

- 5. **Discuss Board's Standing Directives to General Manager** – Chris Anderson – If there's a meeting or a perception of a meeting, or a phone call, it has to be put on the website and they want GM to direct the office to put it on the website. A board member wanted any info given to office be put on line. There are policies that state that email should be the way of notification.
 The GM wanted to know why they are having finance committee meetings in Pahoia and no one shows up? He stated that he needs to be notified in writing, not verbal, if there is going to be a meeting, especially after a long day at work, he went to Pahoia for the finance committee meeting and it didn't happen, nor was he notified it was cancelled.
 A board member wanted it noted that the board couldn't receive their packet by Friday at noon because one of the staff members was out and the budget was due. Discussion ensued. There needs to be cooperation. Notice is important.

XIII. Announcements:

Regular BOD Meeting: 7/19/17 at 6:00 p.m.
General Membership Meeting: 10/29/17 at 3:00 p.m.

XIV. Adjourn to Executive Session (Legal)

Patrick Murdoch (District 9) moved to adjourn to Executive session. Chris Anderson (District 8) seconded the motion. Vote: Yes-5. Unanimous. Motion carried. Meeting adjourned at 9:41 p.m.

Respectfully Submitted and Approved:

Susan Bambara, Recording Secretary

Leilani Bronson-Crelly, Secretary

Date

Date

BOD Meeting Motions Log 6-21-17

Ruth Mizuba (District 2) moved to approve the 6-21-17 meeting agenda as amended. Leilani Bronson-Crelly (District 5) seconded the motion. Vote: Yes-5. Unanimous. Motion carried.

Leilani Bronson Crelly (District 5) moved to approve the May 17, 2017 BOD Meeting Minutes. Ruth Mizuba (District 2) seconded the motion. Vote: Yes-5. Unanimous. Motion carried.

Chris Anderson (District 8) moved to reinstate the food establishment permit. Leilani Bronson-Crelly (District 5) seconded the motion. Vote: Yes-5. Unanimous. Motion carried.

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Chris Anderson (District 8) moved to adopt the hierarchy as policy and post it in the office. Ruth Mizuba (District 2) seconded the motion. Vote: Yes-5. Unanimous. Motion carried.

Ruth Mizuba (District 2) moved to rescind their previous approval vote motion on the non-judicial foreclosure funding of \$10,000. Patrick Murdoch (District 9) seconded the motion. Vote: Yes-3, No-1 (Chris Anderson/District 8), Abstain 1 (Jeff Finley/District 3) - Motion carried.

Patrick Murdoch (District 9) moved to adjourn to Executive session. Chris Anderson (District 8) seconded the motion. Vote: Yes-5. Unanimous. Motion carried.