

**Hawaiian Paradise Park Owners Association  
APPROVED – Board of Directors Meeting Minutes  
October 18, 2017**

**I. Call to Order:** President, Lori Laucik (District 5) called the Board of Directors meeting to order on October 18, 2017 at 6:05 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), David Roe, Secretary (District 9), Jack Oskins (District 4). Kathleen Shaw (District 3), Patrick Murdoch (District 6), Leslie Blyth (District 7), Ruth Mizuba, Vice President (District 2),

**Absent:** Chris Anderson, Treasurer, (District 8), Larry Kawaaauhau (District 1)

**Owners:** Shawn Merrill, Rosemary L. Brown, Tanya Seaver, Benjamin Leslie, Peter Frost, Terri Stratton, Eileen O'Hara, Steve Crawford, Bruce Derrick, Mayelin Stillwell, Leilani Bronson Crely, Craig Crely, Louise Teixeira, Adriano Teixeira, Judi Houle, Sterrett C. Grone, Erick Davis, Ben Ricci, Beverly Medeiros, Jeff Finley

**Guest:** GM, Don Morris

**III. Approve Agenda**

**Ruth Mizuba (District 2) moved to approve agenda as amended. David Roe (District 9) seconded the motion. Vote: Yes-7. Unanimous. Motion carried.**

**IV. Approve Past Minutes**

**Lori Laucik (District 5) moved to approved the past minutes of September 20 BOD and October 11, Special BOD. David Roe (District 9) seconded the motion.** Discussion: Patrick Murdoch requested Leslie Blyth removed a statement because she cannot substantiate her statement and it's inaccurate regarding the 9-20-17 Section XI: "Old Business e." It's between the lot owner and the tenant. Leslie Blyth moved to delete two pinked lines about the President and the GM. A lengthy discussion ensued. **Motion was rescinded.**

**Lori Laucik (District 5) moved to Table the approval of the 9-20-17 BOD Meeting Minutes. David Roe (District 9) seconded the motion. Vote: Yes- 6, No-0, Abstain-1 (Patrick Murdoch). Motion carried.**

**Lori Laucik (District 5) moved to approve the BOD October 11, 2017 Meeting Minutes with corrections. David Roe (District 9) seconded the motion.** Discussion: Section XI. Old business, Section "e." had an incorrect notation. It was not a carried motion and needed correction to reflect properly. **Vote: Yes-7. Unanimous. Motion carried.**

**V. President's Report – Lori Laucik –** Last week's Executive session was a legal issue regarding the DOH and some Personnel issues. Patrick Murdoch brought up the August vote regarding the Finance Committee and that they were voted in at the June Membership Meeting. Unfinished biz moved to top and it was voted on and passed. It was unclear how to proceed, so we asked the arbitrator regarding voting on more people after June. The arbitrator replied that they could not discuss the case now that it had been resolved. The Board then sent a letter to Mr. Crudele, but no reply yet. In August we used bylaws and Robert's Rules to vote in October for the Finance Committee members in October meeting. President letter was sent out, but it was stated as 4<sup>th</sup> and should have been notated as 5<sup>th</sup> Sunday on Oct 29.

**VI. Treasurer's Report – Chris Anderson –**

**Bank Balances as of the end of September 2017:**

*Total Checking, Savings, Investments and Bond Reserve: \$6,511,563.40*

*Total Accounts Receivables: \$2,185,864.03.*

In January 2017 HPPOA billed \$2,722,568.00 for Road Maintenance. Of that, we have collected approximately \$2.3 million as of the end of September. Currently, there is a total of \$2.2 million to be collected; this amount includes billings that have yet to be paid for the

## HPP BOD Meeting Minutes – October 18, 2017

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 56 property transfers completed during the month of September. A few of those transfers included accounts with past due balances.

Year-end adjustments are continuing. The Auditors are currently conducting their field audit.

The current September statements will have year-end adjustments that are not recognized on these reports and other final changes for the '16/'17 fiscal year are being prepared prior to closing the fiscal year.

### VII. General Manager's Report – Don Morris –

Aloha, thank you for all the road maintenance and safety request this past month. The road crew will be taking care of your request as soon as they can get to it. They have been laying down new material on the unpaved roadway. They are widening the road, hauling the dirt and green waste away and then laying down new material and, grading and compacting the road. This process takes about 3 days per mile depending on the weather. The road crew has completed 10 miles of this process in the past month and a half. The goal is to do all unpaved roads by the end of this fiscal year with new material.

**Equipment:** All equipment is running fine at this tie except for the John Deere sidearm mower which we are waiting for a part to arrive and the grasshopper mower which we are still having issues with. We continue to do the daily maintenance and repairs on all other equipment.

**Dust Abatement:** We have one mile left on the current agreement. I think we should finish that and see where to go from there.

**Mowing:** Grasshoppers contract is up at the end of December. We need to think about what we are going to do after that. The road crew mowed 77 miles of roadway easement.

**Weed whacking:** The road crew cut and poisoned 31<sup>st</sup>, 28<sup>th</sup>, 16<sup>th</sup>, 9<sup>th</sup>, 7<sup>th</sup>, 6<sup>th</sup>, Maku'u and 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup> Paradise.

**Trees removed:** 31<sup>st</sup> Paradise to Kaloli, 29<sup>th</sup> Maku'u to Shower; 16<sup>th</sup> Maku'u to Kaloli

**Widen, Gravel, Graded & Rolled:** 7.5 miles of road

**Water:** 26 miles of road were prior to parking the truck.

**Rubbish Pick-up:** 1.75 tons

**Dead Animals Removed:** 2 pigs

**Abandoned Vehicles:** 1 vehicle removed; residents can also call abandoned vehicles in to the County at 961-8552.

**Safety Report:** No accidents or injuries for the past 37 months. Thank you for your support.

Discussion about mower need due to old mower's extreme disrepair due to age. It's throwing good money after bad to repair it because it's so old and worn out.

One bidder is coming for Road Stripping bids next week and another had said they could come, but never showed up.

### VIII. Owner's Input (Three-minute testimony per lot owner. Please submit a written question for those which you require a response.)

Peter Frost – He's a past trustee and manager for 18 years, but he's not an actual owner, so he was actually not allowed to give his input. Susan Hawkes is the Trustee for the property upon which Mr. Frost came to speak.

Ben Leslie – I've heard about this new thing charging businesses extra fees, so what kind of business are you targeting? Every business in the park? And what about the company's that come in and don't live in the park. Are we going to put in a tollbooth? I'm against that raise 100%. How can you single out people? You are penalizing people like me with a lot of vehicles, but I don't bring my business vehicles in to the park. **(Note: This refers to something put into effect by an earlier board and due to take effect in 2018 – this present board has issues with it as well as a feeling that it's ugly to try and enforce and may be rescinded)**

Terri Stratton – Requested that unapproved minutes be posted on the website like they were at some point in the past.

She stated that they ran an informal poll regarding the increased road fee proposals and the results were that most were not in favor of road fees and increases. 71 people were polled with only 1 in favor of paying 10% more for the roads we have now.

Alexa Von Alemann – Civility and transparency are important, as well as non malevolence and openness, which the new Board seems two be implementing, but two on board show malevolence -- these people are members of the community and any personal vendetta is personal. I lived in a communist government and this happened in my country. I found out that there is a plan to raise the fees on

## HPP BOD Meeting Minutes – October 18, 2017

businesses in the park, which is unfair, especially to businesses that are vital to this small town. We have water deliveries, nurseries, small mechanics and it doesn't matter how many vehicles on a lot if people are accessing businesses. There are places with people who have rented to people in number, and how do you assess a Meth Lab while you're chasing out legitimate businesses? I raised kids and we had places where kids could experience things, but fees went up and people left. You're "nickel and dime-ing" businesses who live here and provide vital services. People coming in aren't fined for the damage they do and this is insane. Our rep works hard to develop little town centers so we don't have to go to the highway.

Eileen O'Hara – Wanted to let you know about the HPP Park – it started a few years ago with previous council member and was transferred last March 2016. The resolution said master plan and environmental impact study needed to be completed by March 2017 and we are not going to meet that deadline, so I wrote a resolution to go to the council on November 1<sup>st</sup> or 2<sup>nd</sup> meant to extend it by a year, so we're not under so much pressure. It would be good to have a board member to come and she will email that date so a board member can attend.

Steve Crawford – passed out a detail profit and loss example to go through with the board so that the finance committee can have that information. Road income and transfer fees including listing of all things -- notes from bookkeeper shown to give finance committee to know where money went -- road income, non-road income, misc non road income, etc., so we can know who brought and dropped water and on what roads. This could be under the name column, one can see all money spent and where it came from to read the balance sheet and know what the P&L statement says. He went over an example from May 2014.

Bruce Derrick – Read the bylaw that discusses a board member acting independently and should not be considered an action of the board. Noted that on December 19, 2007 it was moved that any President who goes to a contractor and incurs expenses would need to repay that. Felt that the letter about the mailboxes was never board approved, so those printing costs attached to it, need to be paid for by the initiator(s) of it. I received a nasty bit of info where I was accused of generating a recall petition, which I didn't generate; I was just the recipient of the ballots. I, not board members, because the membership constitutes the community members. You denied me the right to speak and now they throw my address out there and it may lead to a lawsuit and it will be toward an individual. I was attacked, by being asked what my education is, to be on finance committee.

Mayelin Stillwell – Inquired about the June 2015 membership meeting minutes, which seem to have disappeared off the website, so I'd like this on them on the website.

Leilani Bronson-Crelly – passed out sheet referring to special meeting session –by citing sections of Robert's Rules and that there was a mistake in regards to one of your three motions in which two failed and one passed due to the abstains being incorrectly counted as YES votes. [NOTE: Recording Secretary made the appropriate correction].

Two other related points regarding the park and county park...then councilmember Greggor Illagan was clear that we had two years to come up with a plan, but he insisted, against his peer's admonishment, that it happen within two years, so that means it's either done in two years or the land reverts back to HPP. So, a new resolution is nothing, everyone needs to understand the history, HPP gets back our 20 acres, that is a fact and it is not factual what the previous person who spoke on that said.

Regarding Road Usage Assessment fees: In 2010 I brought the issue to the Board and it comes down to trip generation and how to enforce it.

Beverly Madeiras – Has been here 20+ years and has come about the fee you want to charge us business owners. How will you implement it? If you assess this fee on us, then I will my water company and two others will make sure that you pay an additional assessment fee for water hauling, if you raise rates and I'm ready to do it now. I've already written my P.U.C. documents. I'm here on behalf of three water-hauling companies. You bought a truck and have an unlicensed driver. I called and turned you in because you're costing us to have that man set up and drive that truck, plus that is a temporary spicket that you're using for that water truck and you can't have it for a continuous 10 plus year job on your roads! Where's the bid out to other water haulers to do the job? We haven't received any letter.

Bruce Blyth: I've been in the road business 47 years, since I was 18. I have questions if new grader had a part on it and why it wasn't used? Mr. Blyth had several questions, which he asked and the Board and/or GM answered them.

What company contract? – Owner/builder

Is a licensed company doing the work? – No, we're doing it ourselves

What were three bids from Licensed Companies? Who is going to fix roads not done right? – We are.

Who is inspecting the roads? – We are. The response to the questions continued as follows:

It's not sub-standard roadwork; it's just for dust abatement. The long-range plan is to asphalt all the roads. That is the ultimate goal. The GM told him that the Board had okayed the work.

The response was that this has been going because of the DOH complaints generated by someone and so it was implemented for dust abatement. The member noted that he understands where a past board's decision came from because it's not a choice, but it was actually a DOH demand to address the dusty roads and until certain people stop complaining, we need to seal the roads as best we can. It was reiterated by the President that chip seal is for dust abatement, and is not a substantial road, nor was that the intention. The board is now looking at alternatives that might be more eco friendly and do a better job.

Jeff Finley: If one member can bring a motion another can. I don't think it's necessary that we all attack each other when we all have one goal, and that's to make this community livable for us all.

I've been here 2.5 years and I've had my street done three times. The first time just happened, after a year, we had a grand canyon. I called and they rocked it. I called in August and they graded it smoothly and widened it. They put down asphalt rock, which they rolled and now it's like a carpet and it's been six weeks -- it's still good. The asphalt coalesces with the pebbles, they bond and that helps to keep water from getting down and making potholes, but that hasn't happened this time. They've done a couple other streets and it's dust abatement – there might be something to replace chip seal now and might be worth looking at.

#### **IX. Committee Report: (Chair to give 3-minute report. Motions must be provided in writing.)**

1. **Bylaws – Written report submitted for file.**
2. **Equity Road Fees – Alexa Von Alemann –** We are keeping track of the roads and we wanted to make a motion at the General Membership meeting to finish the test road strip on 14<sup>th</sup>. Our motion was ignored. We would like to state that we are pursuing this and will follow-up with more information.
3. **Mailbox – Ruth Mizuba –** Needs to know whether the board is committed to supporting the mailbox committee or not. People who have mailboxes shot it down, but we have 4,000 people who need them. At the last committee meeting no one showed but me, so I need to know if the board is interested in pursuing this or not. There are people in the community who still want and need mailboxes. The park is growing with 5,000 residents at last count, but although the residences are growing, the amount of available boxes isn't. I will call the committee members, but I need to know if the board is interested in pursuing this. The post office has stymied our progress. At present there's 2000 mailboxes and 5,000 residents. How will they get boxes? It was mostly people that had boxes who voted against more for the rest of the community. – GM: clarified that the ballots said from owners they didn't want boxes. A lengthy discussion occurred.
4. **PMAR – Christian Anderson –** we had a display at the swap meet and a lot of people had questions, so we'll continue with that. We'd like to get permission, if we, as a membership committee, can start a social media site.
5. **Finance Committee – Written report submitted.**

#### **X. Community Resource Report – Judi Houle (Ablizia, Fire ant, Emergency Access Team)**

**Food Pantry** is October 24. We have serviced 1487 people since we began in February, so there's a big demand for what we're doing here. What I'm arranging for is the angel tree and toys for tots for our children in the park for children 0 to 12 years old. We started this last year. We have about 202 children registered at the food pantry. At next food pantry from 2 to 3:30, we'll be signing up children in the park to receive free holiday gifts. We also would be happy to accept monetary donations because we may not make our goal to have enough gifts for all.

**Fire ant workshop** – October 7 was the last one and the next one will be in three months. Come to learn about fire ants and what to do about them. It was reported that 3<sup>rd</sup> street is fire ant free for one whole year now thanks to the combined efforts of the neighbors working together.

**Albizia workshop** is this Saturday. Free. Come to the workshop to ask your questions on Saturday at 9am in the library big isle invasive species will be here and you can ask your questions. Handouts will be available.

#### **XI. Old Business**

- a. **Eileen O'Hara Mediation offer** – We had mixed reviews from our members. We didn't have a consensus that this would be a good thing for us. Julie Mitchell of Ku'ikahi Mediation Center gave you a sample proposal. I have many asks for the money, so if you don't want to do it, we have others. Just let me know your decision. -- Further discussion tabled for the evening.

**As to the Park** - We review and replace ordinances all the time. This was the proper procedure to extend park development by one year.

- b. **Fee Discussion: Associate Member, Activity Center Use, etc.** – To be recommended and discussed by Finance Committee
- c. **Road fee Increase Discussion for Jan 2018** – Finance committee has a recommendation that will probably be heard at the next meeting. Lori Laucik reported that the Finance Committee voted to make a recommendation of 4% increase, per the bond requirement, so that's why it's a \$4.50 increase -- to meet the requirement of the bond. It was voted by all but one on the committee to make it \$318 yearly fee. Discussion regarding the board's need to make a decision and vote by the November board meeting. We need to have some kind of visibility of what the underwriters would be looking for – recommendation to meet the needs of servicing the debt. The other road fees of businesses was to raise funds, businesses do impact roads, but how do you assess and implement it. That's the problem and the looming question. It was pointed out by a former Board member in the audience that a letter from legal counsel regarding the questions from the committee and he had a lot of issues with the extra burden fees.

It was noted that construction companies are who is tearing up our roads. Instead of a 40-ton truck, only allow 15-ton trucks. We could eliminate the problem by putting restrictions that go to the root of the problem. Don't take it out on the little businesses. How do we go after that D9? How do you enforce? Sanford coming down the roads at 50 mph with loads. Small businesses are trying to make a living. Picking on the little guy is the problem.

**Kathleen Shaw (District 3) moved that the Special Extra Burden Road Maintenance Assessment be negated for 2018 when it's supposed to go into effect. David Roe (District 9) seconded the motion.** Discussion: A board member reported have had their attorney look at it, before they were on the board. This member said that the attorney stated that it's not written fairly. It has legal holes like a battlefield. It's not worth trying to squeeze little businesses in the park. **Vote: Yes-7. Unanimous. Motion carried.**

#### XII. New Business

- a. **Responses to Owners' Questions from Previous BOD Meeting** – Bruce Derrick issue around water truck driver not having a CDL license, so one of road crew people is working on making those qualifications and licensing.
- b. **Annual Voluntary Donation Solicitation Discussion - tabled**
- c. **Debt Service Coverage Certification (120 days after end of fiscal year)** – that bill is going to be due, so along with that discussion we can discuss the three company proposals. There were three and the board had a recommendation for the Steven Gortler proposal. The three were from Meadows bank, PiperJaffray, and Steve Gortler, with the latter chosen because it has the best interest rate of 4% and with that we will save almost \$150,000 a year, which is about 1.4 million off the existing bond over the life of the bond. The service and estimated fees are a little higher, but the costs are less and the reserve is half (1.2 million and save \$600,000 right away), it saves 1.4 million dollars over the next ten years. One of the other bids required liens and the Meadows bank had a variable rate fee thing even though they had the lowest fees. The Steven Gortler offer was the best of the three. **Lori Laucik (District 5) moved to accept the Finance Committee recommendation to use Steven Gortler's proposal for refinancing the bond. Kathleen Shaw (District 3) seconded the motion.** Discussion: This should be a lot easier because all the basic work has been done. This is just to move forward with this proposal to write it and see what comes out with the underwriters doing their computations. **Vote: Yes-7. Unanimous. Motion carried.**
- d. **Delinquent Road Fees List Status** – happens at every general membership meeting and is ready.

#### XIII. Announcements

- a. **Next Membership Meeting is October 29, 2017 at 3 p.m.**
- b. **Next scheduled BOD Regular Meeting is November 15, 2017 at 6 p.m.**

*Kathleen Shaw (District 3) left the room at 8:45 pm.*

#### XIV. Adjourn to Executive Session

**Lori Laucik (District 5) moved adjourn to Executive Session. Leslie Blyth (District 7) seconded the motion. Vote: Yes-6. (Kathleen Shaw had left the room). Motion carried.** Meeting adjourned at 8:49 p.m.

Respectfully Submitted and Approved:

\_\_\_\_\_  
Susan Bambara, Recording Secretary

\_\_\_\_\_  
David Roe, Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**BOD Meeting Motions Log 10-18-17**

Ruth Mizuba (District 2) moved to approve agenda as amended. David Roe (District 9) seconded the motion. Vote: Yes-7. Unanimous. Motion carried.

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