

**Hawaiian Paradise Park Owners' Association
APPROVED Board of Directors Meeting
Wednesday, September 20, 2023**

1. Call to Order

Board of Directors meeting called to order by Kari Hoffman President District 5 at 6:01 pm. Taken place at the HPPOA Activity Center.

2. Roll Call

Board members present: Jason Schillewaert District 1, Alissa Hanshew District 3, Jon Loehndorf District 4, Kari Hoffman District 5, Brendan Freitas District 6, Naomi Hirayasu District 7, Patricia Egan District 8, and Jeff Finley District 9.

Board members absent: Daniel Harris District 2.

In attendance: Larry Torres Jr., General Manager.

3. Approve Agenda

Edits: add New Business item 13a. Adoption of Conflict of Interest Policy.

Alissa Hanshew District 3 moved to approve the September 20, 2023 agenda as amended. Jon Loehndorf District 4 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried.

4. Approve August 16, 2023 Minutes

Brendan Freitas District 6 moved to approve the August 16, 2023 meeting minutes. Alissa Hanshew District 3 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried.

5. President's Report

Kari Hoffman President addressed the board. Thanked Judi Houle, Lanell Lua and all who helped with 50th Celebration. President's report attached (1).

6. Vice President's Report

Jeff Finley Vice President addressed the board. Projects being carried out. Still looking for solution for the mass mailings.

7. Treasurer's Report

Alissa Hanshew Treasurer addressed the board. Treasurer's report attached (2).

Discussion and questions regarding dues and estimates that are uncollected.

8. General Manager's Report

Larry Torres General Manager addressed the board. GM report attached (3).

Discussion and questions regarding side by side.

Jon Loehndorf District 4 moved to approve \$3,704.45 expenditure for side by side mower. Jason Schillewaert District1 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried.

Discussion and questions regarding purchasing equipment. Discussion and questions on easement maintenance and rock; two different line items.

9. Committee Reports

A. Finance Committee

Alissa Hanshew addressed the board. Meetings are 2nd Wednesday of the month from 1 – 2 pm in library. Last meeting discussed conflict of interest in committee membership, started process of reviewing profit and loss statement and reviewing contract with ES&A legal services. Observers welcome.

B. By Law Committee

Alissa Hanshew addressed the board. Meeting took place Sept. 6. Balancing older business like updating Article 1 Section 10 on committees with newer business like requested by law change from June 2023 membership meeting. Next meeting is Wednesday, Sept. 27th at 4 pm in library

C. Human Resource Committee

Naomi Hirayasu addressed the board. Working on code of conduct. Next meeting in October.

D. Cultural Preservation Committee

Kathy Hollingsworth addressed the board. Meeting was Sept. 9th. 5 people showed, not enough for quorum but had an unofficial discussion. There are 19 people signed up for the committee. Uncertainty of who wants to continue. Trying to figure out committee membership so can have quorum.

E. Road Safety and Pathways Committee

No member available.

F. 50th Luau Celebration Committee (wrap up)

Judi Houle addressed the board. List of sponsors. Received Certificate of Congratulations from Councilperson. Thanks for all the sponsors, volunteers and special thanks to board President for being there all day.

10. Community Resource Report

Judi Houle addressed the board. Started planning for Halloween in Paradise which will be Saturday, October 28th from 5 – 7 pm.

Next class is about Alibiza trees on Saturday, October 21 at 9 am. Next food pantry is Tuesday Sept. 26th. Volunteer and donations are welcome. Numbers are getting higher at food pantry and people from Maui are coming. Neighborhood Watch is 1st Saturday of the month at 9 am. Looking to get special guest on fire safety at membership meeting. Swap meet is 2nd Saturday of month from 7 am – 11 am. Residents are welcome.

11. Owner Input

Patricia Zott addressed the board.

Jennifer Myers addressed the board.

Kepa Maly addressed the board.

Kathy Hollingsworth addressed the board.

12. Old Business

A. Update on the Mailbox Project

Starting paving 4th and Kaloli site. Stripping in handicap stalls will be done about week after paving. Suggested to add pole post and stretch chain to block entrance which staff can do. Flat stones will be placed in between entrances.

Question of taking mulch. Division of Forestry stated because Ohia within mulch it must be left on property. HPPOA not stopping anyone from taking mulch but cannot advertise. Next week 6th and Makuu will begin being paved.

B. Review and Approval of the USPS service agreement

Post office is happy. Working on getting addresses to mailboxes. Service agreement is not ready yet and may need a special meeting to approve the agreement. Each site will have it's own service agreement.

Discussion and question of how they are going to be installed. Post office will install boxes.

C. Discuss bids for Archaeological Inventory Survey

Enter discussion. Concerned expressed about opening bids for survey due to lawsuit. Survey would come out of non-roads account. Enter discussion whether bids should be opened or not. Discussed putting off until after hearing or continuing and how moving forward would look like. Bids are open in executive session. Discussion will continue in executive session.

13. New Business

A. Conflict of Interest Policy

Enter discussion of policy. July was month when board was to adopt conflict of interest policy and it was overlooked. Must adopt a policy every year. Discussed policy adopted in 2016 and amendments needed. Question of adopting first page bylaw section of policy or full three pages of policy. Suggested all pages are adopted because by law section doesn't give enough detail and full 3 pages breaks down exactly what is a conflict of interest.

Discussed legal action clause amendment on 1A page 2 "any person(s) including board members, committee members, volunteers, and residents that participate in by being a party to the action and/or contributing financially to an arbitration, a lawsuit or any other legal action against Hawaiian Paradise Park Owners Association...."

Discussed when, how policy shall be used and who has authority to determine conflict of interest. Discussed adding board shall determine by majority vote. Conflict of interest policy is administrative and challenges would be brought to the board. Discussed types of conflict of interest. Discussed procedure for challenges.

Enter discussion on amendment for procedure to challenge conflict of interest. Make number 6, number 7 and amend 6 "Procedure for handling potential conflicts of interest: a. potential conflict of interests must be identified and presented to general manager of HPPOA in writing with relevant facts. b. General manager shall validate information received. c. General manager shall notify in writing individual(s) that conflict exist and option to challenge."

Discussed financial contributions as conflict of interest.

Jeff Finley District 9 moved to adopt the Conflict of Interest Policy with amendments to add additional language under 1 Legal Action section A and add Section 6 Procedures for handling potential conflicts of interest. Naomi Hirayasu District 7 seconded the motion. Vote: Yes – 4, No – 2, Patricia Egan District 8 and Jason Schillewaert District 1, Abstain – 2, Jon Loehndorf District 4 and Alissa Hanshew District 3. Motion carried.

B. Discussion on paving 1 mile in 2023-24 FY

Enter discussion on which 1 mile of road to pave next. Spreadsheet created looking at condition and cost of roads for the last year and 2 months. Discussed prioritizing high dust and high traffic roads. Some roads had not been rocked for 3 years. Can only pave 1 mile.

Discussed paving Ala Heiau a half mile, in front of mailboxes on 6th and on 14th one tenth of mile, and beach road to Kaloli to dead end. Discussed different streets that could use paving. Question of putting in speed tables in high traffic areas. Question of paving the best road because would cost less to pave due to less material needed.

Question of why some roads have higher cost on spreadsheet. Spreadsheet is a running list and each road is worked each year. Discussed measurements of some roads and how some roads are paved half way. Next month board will vote on paving for next year.

C. Review and approve of RFQ for striping of main roads

Enter discussion on RFQ for striping. Date is not on RFQ and will be added when ready. Discussed reflective aspect, beads or paint with box reflectors. Need two quotes one for glass beads and one for box reflectors. Discussed price value of each.

Jon Loehndorf District 4 moved to accept RFQ for striping main roads with changes. Patricia Egan District 8 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried.

D. Discussion on purchase of road equipment

Enter discussion on equipment and repairs needed. Deals on equipment are gone by time board approves. CIP has been already approved. Need small dump truck and water truck for roads. Question of whether general manager should move forward with purchase of equipment. Discussed only having the large dump truck to haul trash and for road repair. Discussion and concerns expressed about budget and being close to reserve.

Jon Loehndorf District 4 moved that if equipment is within CIP and amount approved general manager has authority to purchase. Patricia Egan District 8 seconded the motion. Vote: Yes – 7, No – 1, Jason Schillewaert District 1. Motion carried.

E. Report on Liens and Foreclosures

Enter discussion. September board is to review foreclosure and liens. Report prepared. Spreadsheet formula for calculating allowance for doubtful account. Attorney files claims on foreclosure or bankruptcy court that if sold for more than owned, HPPOA will be paid back dues. 30 active foreclosures dating 2012 – 2023, totally \$217,000 at end of June. Some foreclosures have been done but not written off, working on it. 594 active liens. Question of enforcing liens. Discussed formula used to calculate allowance for doubtful accounts. Letters being sent out to everyone who has a lien, checking if have correct address. Lien after delinquent for 2 years. \$200 lien fee is charged to property owner. Liens are good for 6 years then have to be renewed.

F. Discussion and approval of the 2018 bylaw amendments

Enter discussion on bylaw amendments that were approved at February 25, 2018 membership meeting. Five amendments and discussion on whether all five amendments are forwarded on to attorney for legal review. Attorney has not had chance to review. Some amendments are not relevant and have already

been addressed such as the forensic analysis. Forensic analysis has been done and membership voted not to proceed further.

Jeff Finley District 9 moved to remove Objective 1: Forensic Analysis bylaw amendment. Jon Loehndorf District 4 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried.

Discussion on special projects committee and what its purpose would be. Uncertainty of purpose of amendment. Discussed membership meeting where amendments were passed and members not being able to hear at meeting.

Jon Loehndorf District 4 moved to remove Objective 2: Special Projects Committee amendment. Jeff Finley District 9 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried.

Discussed Objective 3 removal of directors. Amendment would change number of signatures needed for recall election to remove a director from 200 to 100. State statute may have a different requirement.

Jon Loehndorf District 4 moved to keep Objective 3: Removal of Directors amendment. Patricia Egan District 8 seconded the motion. Vote: Yes – 6, No – 1 Jason Schillewaert District 1, Abstain – 1 Naomi Hirayasu District 7. Motion carried.

Discussed Objective 4 conflict of interest. Discussed policy differences; difference is that conflict of interest can be found after the fact and then vote is null and void and director will be disqualified from running. Board must adopt policy each year and it cannot be less than what's in bylaws. All amendments kept must go to attorney for legal review before being put on ballot.

Jon Loehndorf District 4 moved to keep Objective 4: Conflict of Interest amendment. Brendan Freitas District 6 seconded the motion. Vote: Yes – 5, No – 1 Jeff Finley District 9, Abstain – 2 Jason Schillewaert District 1 and Naomi Hirayasu District 7. Motion carried.

Discussed Objective 5 professional management. Professional management more expensive and inefficient. Discussed how management company would manage. Circumstances have changed significantly with new general manager. Discussed taking it back to membership to vote. Management company is very expensive.

Jeff Finley District 9 moved to remove Objective 5: Professional Management from bylaw ballot. Naomi Hirayasu District 7 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried.

Discussed whether its efficient to do a mailing for 2 bylaw changes. Many other bylaws are queued. Discussed procedure for bylaw changes and at what point goes to membership meeting. More bylaw changes will not be ready by October membership meeting. Attorney will be notified to only review objective 3 and 4.

G. Discussion on Members Meeting for October 2023

Enter discussion. Last meeting had two agendas, discussed what happened. Question of how agenda should be handled with no membership meeting committee. Suggested putting request for items on

website and social media. Question of who would collect and create agenda. Suggested office admin Shelli collect agenda items.

Will post on website and social media to submit agenda items by October 15. Check in by staff, GM will look into staff availability.

14. Announcements

Next Board meeting October 18, 2023 at 6 pm.

Next General Membership meeting is October 29, 2023 at 3 pm. Check in begins at 2 pm.

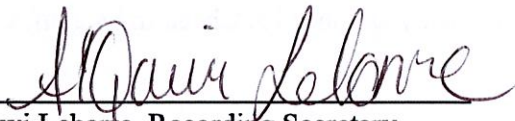
15. Adjourn to Executive Session

Jon Loehndorf District 4 moved to adjourn to Executive Session. Patricia Egan District 8 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried. Meeting adjourned at 8:56 pm.

Attachments:

President's report attached (1) pg. 10
Treasurer's report attached (2). pg. 11
GM report attached (3) pg. 12

I, Al-Qawi Lebarre, undersigned as an independent neutral third-party, present this report as a summary of these events to the best of my ability.


Al-Qawi Lebarre, Recording Secretary

11/15/23
Date

Upon acceptance,


HPPOA Board Secretary

11/14/23
Date

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Motions Log
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Jeff Finley District 9 moved to remove Objective 5: Professional Management from bylaw ballot. Naomi Hirayasu District 7 seconded the motion. Vote: Yes – 8, No – 0. Unanimous. Motion carried.

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