

Presidents report June 25,2023

It has been a busy 4 months since the last Members Meeting in February.

The Board hired Larry Torres as our General Manager. Larry was raised in HPP prior to his 23 years of service in the military. Larry is married with two children, age 5 and 6. Larry wanted to raise his children where he was raised and returned to HPP. Larry is a true asset for HPP, concerned with getting our roads back into shape after years of neglect. We also hired an Administrative Assistant, Shelli, to work with Larry and help the office staff with the required tracking of costs, maintenance requests and dust complaints. We are now at full staff in the office.

The 4th street paving job from Kaloli to Makuu (2 miles) was completed. In addition, Pohaku Drive which was delayed from last year was paved. They still need to stripe and add reflectors to the road to complete it. This completes all scheduled paving for the year.

The Forensic Analyst completed all input and completed the first phase of analysis. The contract was for \$25,000 to complete the project. The contract stated that if additional funds were needed, he was to get approval from the Board before continuing. He presented another \$25,000 addendum which he required before he would meet with the Board to discuss his analysis. The Board voted an additional \$5000 only to get us through the analysis review based on his hourly rates. He rejected that option. The Board requested a copy of all the files, and they were sent to us. At this point, Mr. von Guenther has been paid \$25,000 per his contract. Two board members with financial experience have been reviewing the files. They have not found it easy but have not found any major findings as of yet. After working in the office since December and reviewing the QuickBooks data in detail, I and other BOD are not concerned that there were major anomalies in the forensic analysis that would warrant the additional expenditure.

The Activity Center is getting lots of use, we now have pickleball on Monday and Wednesday mornings and evenings. Zumba has also started on Mondays as well. The seniors are back with senior hula and mahjong, and a revamping of the library with remarkable results so far. We continue to have many private parties on the weekends (generating additional income for our non-roads account).

The Mailbox project continues to be the largest controversy in the park. The board has put as much information as possible on the website. The members requested to see in writing from the USPS that they will not approve more roadside boxes and we therefore posted the email on the website. The USPS is providing over \$1 million dollars of new boxes for us and has agreed to handle the installation of all boxes onto the cement pads we are required to provide. This is saving HPPOA an additional \$100,000 in cost. Our proposed budget is \$600,000, which is far less than the funds being spent by USPS.

The funds have been saved up from the 5% money in the non-roads account since 2018 approved by past and present BOD. We currently approximately \$800,000 in that account. The bottom line is, if we want mailboxes in HPP, they will need to be on the 20-acre parcels as approved by USPS. If we don't get this project underway soon, USPS will most likely remove the current boxes and the offer to install the new boxes and it will cost HPPOA closer to \$2 million dollars to get mailboxes in the future. This project is what is best for the majority in our community.

The Board approved the budget for next year with an aggressive approach to focus funds onto the gravel roads to get them back where they should be and then continue to maintain them every 2 months. We still have 66 miles of gravel roads and with the focus on them we will be able to pave 1-mile next year. We are 3 years away from having the bond paid off which will then free up \$1.2 million for paving roads or approximately 2 ½ additional miles of paving each year. Cost increases now have a mile of paving estimated at close to \$450,000 per mile. Included in this budget is also \$45,000 from the non-road funds account for an in-depth archaeological study on the 31-acre HPP parcel.

The board has hired new auditors for this year's audit. The Human Resource Committee has completed the new employee handbook and updated all job descriptions. We now have 73% of owners paid in full and will be sending out delinquent notices next month. If we could collect the \$3 million in delinquent fees, we could pave an additional 7 miles of roads.

Our 50th Anniversary Luau is set for September 16, 2023 in the Activity center. The committee is busy with making this a reality. This should be a fun day for the entire membership.

We have 1 legal matter still pending. All other matters are now behind us. Our attorney is working on this matter and advising the Board on all options.

The general status of the Association is good - all

bills are paid and current, the Bond balance is down to \$3,650,000, the taxes have been filed, road crew is addressing road maintenance requests in a timely manner, and we are posting as much information as possible on the website.

Thank you to all the volunteers, committee members, staff and the Board for continuing to help make HPP a premier place we can be proud to call our home.