

Hawaiian Paradise Park Owners' Association
APPROVED Board of Directors
Special Meeting
Monday, June 3, 2024

1. Call to Order

Board of Director's Special Meeting called to order by Kari Hoffman 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, Darice Unick District 6, and Patricia Egan District 8, Jeff Finley District 9 .

Board members absent: Daniel Harris District 2 and Naomi Hirayasu District 7.

3. Approve the Agenda

Jon Loehndorf District 4 moved to approve the June 3, 2024 Special Meeting agenda. Alissa Hanshew District 3 seconded the motion. Vote: Yes – 7, No – 0. Unanimous. Motion carried.

4. Owner Input

Michael Duvall addressed the board.

Chuck Barker addressed the board.

5. Unfinished Business

A. Review Budget and CIP in Detail

Alissa Hanshew addressed the board. Three year actual profit and loss spreadsheet presented with year to date budget to actual. Finance Committee draft budget for next fiscal year. Worked with general manager to develop operating budget for HPPOA expenses. Board begins section by section, line by line discussion on each budget line.

Enter discussion on Road Income. Current year billed approximately \$3.6 million. Estimated 80 percent of billed fees are collected. Budget is based on estimated amount collected and not amount billed. Question on student road fee. School pays fee based upon how many students it enrolls per there lease.

Enter discussion on Non-Road Income. Bulk of non-roads come from main room rental. Question and discussion on main room term rental budget and actual difference. Question and discussion on

Renegade Towers, LLC income and contract. Question if can opt out of contract. Questions on income from fees.

Enter discussion on Road Expenses. Discussed road materials expenses. Question of water cost to purchase and haul. Question of increase of rock budget cost. Puna Rock increased prices. Question of cost of dust control. Board voted at prior meeting to put \$100,000 budget for dust mitigation. Placed in budget. Discussion and questions on budget actual for rock.

Discussed cost and plan for signs. Discussed cost of road striping and striping machine. \$20,000 moved to CIP for striping machine. Reduced line item 5040 to \$10,000. Discussed of line item professional fees, fixed amount each year. Total changes.

Jeff Finley District 9 left the meeting at 6:36 pm.

Question of photo radar on streets.

Discussed bond and interest paid, will be paid off January 2026.

Enter discussion on shoulder maintenance. Enter discussion on Equipment and Vehicles. Discussed quality of equipment. Employees are better trained to maintain equipment.

Enter discussion on Shop. Replacement of tools, floor jack went out. Increase in tool cost. Inventory of tools created, tools need to be marked.

Enter discussion on Office. Question of cost of mailing, three mailings each year, possible three more for bylaw mailings. Discussion on cost of mailing bylaws; question of emailing. Possibly 5 or more mailings for the fiscal year. Increased Postage budget line to \$30,000. Totals change.

Enter discussion on Property and Professional Fees. Discussion on cost of legal fees, budget amount increased to \$175,000. Active legal cases and bylaw changes increases budget amount. Finance committee recommended budget numbers.

Enter discussion on Personnel. Salaries and wages are based on what is current. Bookkeeper is now a salaried employee. Minimum wage increased and will increase again next year. Question of cost of payroll service. Totals for road \$2,489,289.

Enter discussion on non-road expenses, Activity Center. Question of property tax of Activity Center in non-road expense. Budget line is for all property. Non-road wages is for part-time janitor of Activity Center.

Total expenses: \$2,540,289. Net income: \$1,455,886. Bond payment: \$1.13 million. Leaving \$325,886 available for CIP.

Enter discussion on capital improvement plan (CIP). Finance committee did not touch the CIP budget. Spreadsheet list budget, amount spent, and amount contracted out. CIP projected until 2026-27 fiscal year. Discussed water truck. Water truck found in Texas. Shipping approximate cost is \$20,000 and truck approximate cost \$60,000. Waiting for exact shipping cost, priced within budget. 4,000 gallon

water truck. GM will have to examine the truck.

GM helped create projected CIP budget. Enter discussion line by line on CIP budget. Discussed office upgrades for \$125,000 pushed to 2026/27 budget year but will need updated numbers.

Discussed purchase paving equipment. HPPOA cannot purchase materials to pave without license, do not have the personnel. Purchase paving equipment removed from 2024-2025 budget. Discussed shop equipment needs and cost. Discussed side arm mower/mulcher search and cost, quality equipment is better than pay for constant repair.

Mailbox lights coming out of non-roads account so does not affect operating budget. Approximate cost of one million dollars per mile to repave main roads. Budget is not available to pave main roads. Question of doing overlay on main roads. Discussion. *Swarm of termites enter Activity Center.*

Patricia Egan District 8 moved to temporary adjourn. Jon Loehndorf District 4 seconded the motion. Vote: Yes – 6, No – 0. Unanimous. Motion carried. Meeting temporarily adjourned at 7:36 pm.

Meeting reconvened at 7:41 pm in the Activity Center library.

Continued discussion of repaving main road or resurfacing. One million per mile cost includes adding bike lanes. Talked to two different contractors for estimated cost. Discussed possibility of paving main road or repairing.

\$325,000 available toward CIP. \$100,000 for shop equipment. \$225,000 available for paving. Question of waiting until next year to pave another road. Striping machine added to 24-25 CIP budget. One mile of road cost approximate \$600,000. Money needs to be in reserve. Question of how much needs to be kept in reserve, reserve study needed to determine number. Discussed paying off bond and what it means financially. Discussed interest income on CDs. \$125,000 in interest earned each year on CDs.

Road fees collected now will be for next year's budget. Discussion on capital kept in CDs, bond payments and reserves needed. Discussion on how to pave a mile next year.

Discussed request to discuss roads with Mayor. No movement so far. Auditors suggested at least one years budget in reserve. Added pave one mile to 2024-2025 budget for \$600,000 and removed repave main road for one million.

Enter discussion on 2025-2026 CIP budget. Replacing roof will be paid out of non-roads account. Discussed audio system needed and cost. If more than \$5,000 can capitalize and depreciated it. Activity Center audio system upgrade moved to 2024-2025 budget for \$5,000. Budget year will have budget items repaved main road and Activity Center roof.

Enter discussion on 2026-2027 CIP budget. Roofs over mailboxes are going to be needed. Engineers will need to design, uncertainty of cost, coming out of non-roads fund. Discussed 1.5 million is budget for paving.

Enter discussion on 2027-2028 CIP budget. Discussed one main road, one side road being paved.

Question of shop equipment cost. Discussed Activity Center repairs needed. Side arm mower moved to 2024-2025 budget. Audio is non-roads account. Suggestion to change attic fans same time as replacement of roof.

CIP will be revised and prepared for vote of board in June.

B. Review Addendum for additional fill needed for 14th paving contract for \$1,000

Enter discussion. Ground shifted, road needs to be realigned and needs additional fill. Discussed contractor should inspect the roads and place a proper bid. Discussed placement of pins and area where gravel needed. Error on part of contractor for not seeing area where additional fill was needed. Additional cost of \$1,000.

Jon Loehndorf District 4 moved to approve the \$1,000 addendum to contract with Hokori Construction on 14th avenue and Kaloli. Jason Schillewaert District 1 seconded the motion. Vote: Yes – 4, No – 2 Alissa Hanshew District 3, Jon Loehndorf District 4. Motion carried.

C. Review addendum for driveways on 4th and Kaloli and 16th and Makuu.

Enter discussion on addendum. Addition of 20ft by 20ft aprons for mailbox area driveways. Roads already paved aprons will be put in separate. 16th site does not have any asphalt, aprons can put in during mailbox construction making it cheaper. Benefit of aprons because acceleration from site to road. Maintenance of gravel area will be down with aprons.

Jon Loehndorf District 4 moved to approve the bids for 4th avenue at \$3,380.10 and 16th avenue at \$2,751.83. Patricia Egan District 8 seconded the motion. Vote: Yes – 5, No – 1 Jason Schillewaert District 1. Motion carried.

D. Discuss Speed Tables on Ala Heiau

Enter discussion on speed tables. Discussed various sizes and being able to slow people down. Discussed speed hump vs. speed bump. Speed bump brings traffic to almost stop. Question of spanning hump across road. Discussed various heights of humps and speed effectiveness. Discussed keeping speed limit at 15 mph. Street is approximately 1/3 of a mile. Speed hump on 22nd avenue was installed by HPPOA staff. Speed table not effective use of resources with 1/3 of a mile.

Discussed asphalt speed humps. Discussed having speed table on Makuu to the left on Ala Heiau going up to Beach Rd. Discussion on two or three speed humps, location of speed humps, and speed table. Question of three speed humps on Ala Heiau, one at each telephone pole. Residents willing to pay for two speed humps with cost of \$1,100 each. Rubberized speed bumps have already been approved. Discussed 7ft incline, 7ft flatside, 7ft decline and raised 5 inches for 20 mph. Question regarding fire trucks with three speed humps. Speed table on long side of Ala Heiau and speed humps on short side of Ala Heiau.

Jon Loehndorf District 4 moved to on Makuu to beach, on beach side of O'o, install a 7 ft incline, 7ft flattop, 7ft decline, and 5 in. thick speed table. On Makuu cliffs dead end, install two speed

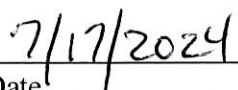
humps and inquire with emergency services if can handle three speed humps, and set speed limit on Ala Heiau at 15 mph when paved. Alissa Hanshew District 3 seconded the motion. Vote: Yes – 6, No – 0. Unanimous. Motion carried.

6. Adjourn

Alissa Hanshew District 3 moved to adjourn. Jon Loehndorf District 4 seconded the motion. Vote: Yes – 6, No – 0. Unanimous. Motion carried. Meeting adjourned at 8:57 pm.

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


Date

Upon acceptance,


HPPOA Board Secretary


Date

**HPPOA Board of Directors Meeting
Special Meeting Motions Log
Monday, June 3, 2024**

Jon Loehndorf District 4 moved to approve the June 3, 2024 Special Meeting agenda. Alissa Hanshew District 3 seconded the motion. Vote: Yes – 7, No – 0. Unanimous. Motion carried.

Patricia Egan District 8 moved to temporary adjourn. Jon Loehndorf District 4 seconded the motion. Vote: Yes – 6, No – 0. Unanimous. Motion carried.

Jon Loehndorf District 4 moved to approve the \$1,000 addendum to contract with Hokori Construction on 14th avenue and Kaloli. Jason Schillewaert District 1 seconded the motion. Vote: Yes – 4, No – 2 Alissa Hanshew District 3, Jon Loehndorf District 4. Motion carried.

Jon Loehndorf District 4 moved to approve the bids for 4th avenue at \$3,380.10 and 16th avenue at \$2,751.83. Patricia Egan District 8 seconded the motion. Vote: Yes – 5, No – 1 Jason Schillewaert District 1. Motion carried.

Jon Loehndorf District 4 moved to on Makuu to beach, on beach side of O'o, install a 7 ft incline, 7ft flattop, 7ft decline, and 5 in. thick speed table. On Makuu cliffs dead end, install two speed humps and inquire with emergency services if can handle three speed humps, and set speed limit on Ala Heiau at 15 mph when paved. Alissa Hanshew District 3 seconded the motion. Vote: Yes – 6, No – 0. Unanimous. Motion carried.

Alissa Hanshew District 3 moved to adjourn. Jon Loehndorf District 4 seconded the motion. Vote: Yes – 6, No – 0. Unanimous. Motion carried.

