

**Hawaiian Paradise Park Owners Association
Approved Minutes of the Board of Directors Meeting
October 16, 2013**

Call to Order: The meeting was called to order at 6:00 p.m. by Larry Brennan, Vice President.

Members Present: Larry Brennan, Vice President; Terry Michels, Secretary; June Conant, Treasurer; Judy Sumter, Verne Presnall, Bill Newman, Francis Ganon and Tom Nickerson. [Skip McAlister, President, was absent.] Scott Reilling, General Manager, was also present.

Guests: Joan Galante, Elizabeth Weatherford, James Weatherford, Evan Pfaff, Bruce Derrick and John Seastrom.

Agenda: The agenda was approved as revised.

Presiding Officer's Report: Larry announced that the meeting will recess to an executive session at 7:00 p.m.

Larry reported that he spoke to a representative from Red Cross, following up on Tom's earlier actions. They want approval from the Board to have the HPPOA Activity Center inspected as a potential tsunami shelter.

The Board decided unanimously to allow the Red Cross to inspect the Activity Center for use as a tsunami shelter.

Tom said Civil Defense may do an assessment as well.

June said the building cannot be a hurricane shelter. There might be an issue if it is a shelter for one disaster but not another.

Larry reminded committees that as an arm of the Board, any contact with the press, vendors, and public or government employees requires previous permission from the Board of Directors. He asked committees to present a formal request to the Board with a rationale for the action.

Bill asked whether approvals can be given between meetings by email. Larry said this needs to be discussed.

Approval of Minutes: Terry Michels moved to approve the minutes of September 18, 2013, as corrected. The motion passed by a vote of 7 for, 0 opposed. June Conant abstained, since she did not attend the meeting.

Owner Input

Joan Galante said there was some question whether or not a motion at the September meeting passed. She asked for more clarification at meetings concerning motions.

Elizabeth Weatherford presented a list of improper conduct for Directors, including:

- placing demands on the time and resources of public or private sector personnel without being fully informed about the topic and its background
- demands that personnel do anything that contravenes the law

- name-calling of personnel, threatening vendors or impugning their motives while representing yourself as a Board member
- representing or claiming to represent other Directors without their agreement.

She asked for immediate and complete cessation of this conduct.

Engineer's Report: Evan Pfaff commented on the Request for Bids document submitted by Scott at the September Board meeting. He said the Association is not subject to State or County rules and therefore need not acquire 3 bids before awarding a contract for work. He said "best value" works best for most entities, allowing them to consider not only lowest price, but other factors such as past performance. He added that it is reasonable to ask a recent contractor for current updated prices. "I don't see any disadvantage to starting with a company that you have had success with in the past," he said, and added that if there is an existing contract in place, a change order can be written into the contract incorporating any additional clauses or changes.

The National Pollution Discharge Elimination System (NPDES) permit application will be advertised in the *Tribune-Herald* tomorrow, and a 30-day comment period is required. The temporary conditions have already been approved. "Unless there's dramatic comment, I don't expect those to change."

Tom asked whether the permit was required for the paving project. Evan responded, "They didn't say you don't need this."

Judy asked why the Board pushed to get the permit. Scott said a permit would be needed for a contractor to do the clearing and grubbing work outside of the Association's maintenance department. Evan added that the permit is valid and useful, whether the Association does the work or not.

Francis said the Board did not vote for the road crew to do the prep on the new section. He said he needs to see a cost estimate; because of the age of the Association's machines, perhaps a contractor can do the work for less. He added that the crew is needed to mow, mark the roads and do their other jobs.

Tom asked whether a contractor would warranty their work if the road crew did the grubbing. Evan said Yamada has said they would because they are able to observe the sub-base and they are laying the base material.

Larry Brennan moved to ask the General Manager to prepare an estimate for paving preparation cost, and also to ask Yamada for separate prep and paving cost estimates. Verne Presnall seconded. The motion passed by a vote of 6 for; Tom Nickerson and Francis Ganon opposed.

Tom asked to check with the State whether a contractor's license is required for the prep. Evan said the grading work for the sub-base is typical of work done by maintenance crews, but the shoulder work is not routine. He added that the entire paving project "was not done as an engineered road. They did not do a survey and calculate exact cuts and fills."

Bill asked Scott to estimate sub-base materials costs, as well as the road crew's manhours which would be spent not on road maintenance, for consideration in the Board's decision.

Committee Reports

Parks: Tom submitted a list of "allowable uses" for the Board's consideration and asked Directors to comment on any uses to which they object.

Hawaiian Path: John Seastrom said Kona-based Paths Hawaii is looking into creating an east-Hawaii chapter, and perhaps sharing influence on future Hawaiian Path Committee projects.

Preliminary discussion has begun on the Paths Hawaii February safety presentation.

“We’re going to try to get the local schools involved. We have several schools in our community, including homeschools... We want to get the children involved in walking and bicycle safety.”

Larry asked the committee to bring a formal motion to the Board, listing the people in the community they intend to contact.

The committee is focusing on smaller projects, including the park at the *hui*. They will host a walk around the park this Saturday at 2 p.m.

John displayed a “sharrow”, a chevron with a bicycle similar to “share the road” signs, to be stenciled directly on low-speed roads. He said they are for under-25 mph roads only, and would not be appropriate for Paradise or Maku`u.

The sharrows are part of a federal program, so funding is available to implement them.

Road Traffic Safety: Bruce said there was no report, though he will give Scott the broken traffic counter to be repaired.

Meetings are on the 4th Monday of each month at 3:30 p.m. at the Activity Center library.

Larry said he and Skip and Mayelin are working on a draft Road Traffic Safety Policy.

Road Testing: Larry said the committee has not met. It is composed of himself, Judy, Francis, Scott, Carnon Sumido and possibly Dick Rhodes.

Larry submitted a motion for the Board’s consideration, which he tabled until the next meeting.

He said it has been suggested not to put the test roads in too soon, if there is no dust.

Finance Committee/Treasurer’s Report: June reported that the Finance Committee did not meet in September. They will meet next on November 14.

The audit was officially signed, and she distributed copies to the Directors and General Manager.

Francis asked whether it is confidential. June responded no. She and Cathy will prepare a simplified version for the website.

June said that collections are progressing through small claims court. “Once owners get the notice to come to court, that shakes them up a little bit and they come in and set up a payment plan with us.” June plans to visit an owner who did not show up in court. She said she and Scott appear in court on alternate Mondays.

Account balances as of October 16 were:

Bond Construction (paving) Fund	\$1,545,992
Savings, checking, investments & bond reserve	<u>\$4,313,805</u>
TOTAL	\$5,859,797

[The Board meeting recessed to an executive session at 7:00 p.m. and resumed at 7:41 p.m. with Directors Brennan, Michels, Conant, Presnall, Sumter, and Newman still in attendance. Scott Reilling, General Manager, was also present.]

General Manager’s Report

Road Crew Replacement: Scott reported that Tommy had made a recommendation for the road crew replacement; the applicant will be drug tested this week.

There is a 90-day probationary period, during which Scott will observe his performance.

Paving and NPDES Permit Requirements: Scott said the road conditions are “not bad”, despite not scraping all summer because of the dust issue. He reported that the crew is “working through the Park” and hopes to complete the sweep by November. Larry asked about the website posting. Scott said work that has been done is in Tommy’s report and on the website. Future work is impossible to predict since it is done as needed, although a mowing schedule, once developed, could be posted online.

A one-time ad will run in tomorrow’s paper for the permit application, at a cost of \$475. There is a 30-day waiting period for comments, and the issuance of the permit will take approximately 2-3 weeks after that. Scott added that the technical aspects of the permit have already been accepted. “We have a conditional permit.”

Roadway Base Material: Scott said he is currently using materials from Sanford’s, which is more expensive, because of complaints that the other materials turn to dust in the pile.

Larry said everything he reads recommends ¾-inch base on the roads and asked why Scott is using 1 ½. Scott said they have used ¾-inch, and it wears out too quickly. Larry said that will be another item to test on the test roads.

Road Material Addition: Scott said one of the contributing factors to increased dust in recent years was the cutting back of the albezia trees. “We cut down all these branches over the roads, and it evaporates faster.” He said they will test the mixing of mulch into the base material to see whether the organic matter will hold moisture better. If the test proves positive, the mulched materials will be put in front of those houses whose owners have complained of dust.

Paradise Ala Kai Improvements: A report from the engineer was attached, reviewing two proposals received. Scott said he feels the cost is excessive and a repair could be done inhouse.

Judy said she lives nearby and has not seen any accidents there.

Scott said, “Let’s see what our crew costs to put a 4-foot walking path behind it. Let’s get the people out of the traffic.”

He said what really needs to be done is to open cracks in the basalt to improve drainage and to increase the curve by moving the double line and adding some more pavement to widen the curve. Speed bumps could also be added before and after the curve to moderate speed.

The Board agreed unanimously to allow the General Manager to prepare an estimate to repair the corner at Paradise Ala Kai.

Herbicide Spraying: Herbicides will be sprayed during the third week of each month until the end of the year. The office will have the schedule.

Scott said Oahu or Maui passed a law controlling pesticides, “but it does not apply to over-the-counter pesticides” such as the ones the road crew is using.

Small Claims Court: There is one judgment so far, because of the no-show. Scott said he wants payments and payment plans, not judgments.

The judge assured him that additional costs and fees are chargeable.

Scott is refunding half of late-interest charges when owners complete their payment plan. He also offered a refund of 100% of interest for one-time payments, but no one accepted this provision.

When there is a summary judgment and they do not pay within 30 days, the Association can garnish wages, freeze bank accounts, or attach the judgment to the property through the Bureau of Conveyance and then proceed to a sheriff's sale of the house. Scott said this choice will have to be determined by the Board, and our lawyer will have to appear in court. He will find out whether the lawyer's fees are recoverable.

Staff/Collections: Scott said Morgan and Cathy have suggested a third-reminder billing in September, because there is an influx of payments after each billing.

Copier: Jeff Gray has offered \$150 for the old copier. The Board agreed to allow Scott to sell the copier.

Mailboxes: June reported that she has received verbal approval from the post office to move the mailboxes to the Association's parcels. She asked Mr. Oya whether a carrier would deliver to any additional boxes; he said he cannot guarantee that.

Oya added that he needs to speak personally to the Board, but he is busy with other issues right now.

Bill suggested contacting Representative Hirono and Senator Schatz, requesting letters of support for improved postal service.

Scott said he contacted Hirono's office last fiscal year. "They are aware of it."

June said when Dan Inyoue was contacted, he told them to work with the post office.

The Board agreed to contact Representative Hirono and Senator Schatz. June said she will draft a letter based on the one previously sent to Inyoue.

Terry suggested presenting a petition on the issue at the October membership meeting.

Unfinished Business

Motions Log: June said she helps Cathy "clean it up".

Nominating Committee: June volunteered to head the committee. She suggested that a candidate information sheet be sent to all lot owners in districts with an opening who have east Hawaii mailing addresses.

Judy said there also is an immediate Board vacancy to fill.

Scott said that Morgan is drafting an accomplishments sheet for incumbents.

June said she hopes to incorporate Judy's suggestion to include a 1-minute video on the website for each candidate to introduce himself.

Vendor Letter: Larry said he will send all Directors and the General Manager a draft letter about dust control and speed education to send to vendors.

Scott said a copy should be kept in the office for walk-ins.

Larry asked the Board and staff to help compile a list of vendors.

Terry suggested that yard sales be asked to hand out copies as well.

Road Dedication Ballots: Cathy has received a little over 1000 ballots.

June and Judy offered to count the ballots received to date and to report the results at the general meeting.

Bus Stop: June said the bus stop shelter was built by a boy scout to earn a badge. The concrete is too high for wheelchair access. It must meet ADA requirements to be County certified.

Scott said only minor modifications are needed. He does not anticipate any expenses.

The Board gave permission to the General Manager for modification of the bus shelter to meet County requirements.

New Business

Road Fees: Scott said he does not foresee a need to budget for major repairs on the road equipment in the upcoming fiscal year. Therefore, he believes there is no need to increase the road maintenance fees.

Scott recommended that the discount for early payment of fees be discontinued, since it did not meet the objective of bringing in payments from those who do not usually pay. Judy said this should be explained at the general meeting.

Security at Membership Meeting: Terry recommended that an off-duty policeman be present at the meeting "one more time".

Scott said it costs \$75. "It's money well spent."

Volunteer Committee Coordinator: Larry suggested including the item on the agenda for the general membership meeting.

Vacancy: June said the first step is to put on the website an announcement of a vacancy in District 4. It will also be announced at the membership meeting.

The appointee does not have to live in District 4. Bill said those applicants who do live in District 4 should be given preference.

Terry said there is also a vacancy for co-chair of the Parks Committee.

President's Absences: Larry said Skip has been absent from the last two meetings for medical reasons. Skip said he will give the Board "explicit guidance" concerning his decision in November.

Bill and Larry offered to visit Skip this week to ask him what he intends to do. The Board agreed to permit them to speak to Skip.

Adjournment: The meeting adjourned at 8:35 p.m.

Submitted by:



Kirstie Goin, Recording Secretary



Terry Michels, Corporate Secretary

Motions Log 10-16-13

The Board decided unanimously to allow the Red Cross to inspect the Activity Center for use as a tsunami shelter.

Terry Michels moved to approve the minutes of September 18, 2013, as corrected. The motion passed by a vote of 7 for, 0 opposed. June Conant abstained, since she did not attend the meeting.

Larry Brennan moved to ask the General Manager to prepare an estimate for paving preparation cost, and also to ask Yamada for separate prep and paving cost estimates. Verne Presnall seconded. The motion passed by a vote of 6 for; Tom Nickerson and Francis Ganon opposed.

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