

**Hawaiian Paradise Park Owners Association
Approved Minutes of the Board of Directors Meeting
November 20, 2013**

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

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

Guests: David Prager, Nick and Dorothy Heinrich, Bill Johnson, Bruce Derrick, Joan Galante, Leilani Bronson Crelly, Jeff Luce, Derek Alatau, David Ratzlaff, and James and Elizabeth Weatherford.

Approval of Agenda: Two items were added to the agenda.

June Conant moved to approve the agenda as amended; Terry Michels seconded. The motion passed unanimously.

Appointment of Director for District 4: Candidates Leilani Bronson Crelly, Joan Galante, Bruce Derrick and Ron Vizzone volunteered to serve as representative for District 4. Leilani, Joan and Bruce gave short statements of their qualifications; Ron was not present at the meeting.

Larry Brennan moved and Verne Presnall seconded to adopt the following procedures for filling the vacancy in District 4:

1) Voting will be secret ballot on pre-cut blank pieces of paper, tallied by the Secretary and Presiding Officer.

2) Selection will be by the first candidate to achieve a majority of the present quorum of Board Members.

3) "...if any office remains unfilled after the first ballot, as may happen if there are more than two nominees, the balloting is repeated for that office as many times as necessary to obtain a majority vote for a single candidate. When repeated balloting for an office is necessary, individuals are never removed from candidacy on the next ballot unless they voluntarily withdraw—which they are not obligated to do." Roberts Rules of Order, page 441

4) Each candidate will be allowed 2-3 minutes for input, including their reaction to the voting process as accepted by the Board.

The motion passed unanimously.

Joan Galante was elected to complete the term. Larry administered the oath of office, and Joan joined the seated Board.

Executive Officers: President McAlister has missed 3 meetings due to a medical issue. He had indicated that he would notify the Board of his intentions by this month, but Larry has not heard from him. Larry asked how the Directors want to handle the "lack of consistent direction".

Terry Michels moved to discuss President McAlister's absences in executive session; June Conant seconded. Terry Michels, June Conant and Verne Presnall voted for,

Bill Newman and Joan Galante opposed, and Larry Brennan abstained. The motion passed.

Presiding Officer's Report: Larry said letters are being written to vendors about dust control and speed limits. A letter was sent to the Board of Realtors, requesting their members' consideration and compliance when a house is being shown.

Also, a newspaper ad was placed by a realtor, advertising "ideal location for a business" for an HPP lot, without mentioning the need for a special use permit to establish a business within the subdivision.

Larry Brennan moved to send a letter to the realtor who placed an advertisement in the newspaper describing a HPP lot as an "ideal location for a business", to inform the realtor that this is inappropriate. A copy will be sent to the Board of Realtors. The motion passed unanimously.

Larry expressed angst that the \$25 million allocated by the County for a park in Pahoehoe was "money we could have had a couple of years ago".

Larry Brennan moved to contact Ku`ikahi Mediation Center to discuss a contract for mediation services. Bill seconded, and the motion passed unanimously.

Larry complimented the organizers of the Lilikoi Festival on "the community activity in our community center" and for facilitating the well-attended, fun event.

He announced that Red Cross will inspect the Activity Center on December 10 to determine whether it meets their criteria for a tsunami shelter.

June asked to resolve an old issue by extending an apology to Leilani Crelly for being inappropriately interrupted by a staff member while giving a presentation at a membership meeting. June extended an apology on behalf of the HPPOA Board.

Leilani said that although she "appreciates the extension of the olive branch, this is the wrong venue for it", since the event occurred at a membership, not a Board, meeting.

Approval of Minutes: June requested one correction to the October minutes.

June Conant moved to approve the minutes of October 16, 2013, as corrected. The motion passed unanimously.

Owner Input: David Ratzlaff thanked Scott for honoring his request by posting a road crew report on the website. He said it is "particularly disgusting" that the crew has to clean up debris like dead pigs. He also expressed the opinion that it is "irresponsible to discuss non-personnel issues in executive session". Larry said it both is and is not a personnel issue, since the issue concerns the prolonged absence of an executive officer. Dorothy Heinrich questioned the Road Traffic Safety Committee's priorities in addressing easement encroachments, when all 3 of the main roads have no paved shoulders for walking or biking, and Maku`u has a great deal of tree root damage which creates hazards for cyclists. She asked how easement policies can be fairly applied. "Presently the committee has decided to cut back to road grade to 3 feet inside of power poles. This will compromise the integrity of the pole's standing." She added that "many areas are nicely landscaped and assets to the neighborhood; do we want to replace that with a scar?" She also asked whether outcroppings would be cut back and below-grade areas filled to provide equal easement access on all the roads. Larry urged her to attend the Road Traffic Safety Committee meetings "to have input into the dialogue that forms the motion."

James Weatherford said his lot is near a favorite dumping spot for dead pigs, which create a health issue. He asked that Roberts school buses also be sent the speed limit compliance letter.

Leilani Crelly asked why the President's absences are being addressed, but not the absences of other Directors, when one in particular "has been absent a lot". Larry said he thinks it is not appropriate for a business to run without the persons in charge of HPP business; all should be present. He added that the Bylaws need to be changed. The Hawaii Revised Statute (414d) allows for a board member to be removed due to absences, but only when the bylaws of the Association address the issue of absences. Our bylaws need to be amended to allow for removal of a member who doesn't attend.

David Prager said he is a new resident in the Park. He was welcomed to Paradise.

Derek Alatau asked whether the Board will pursue dedication of the main roads to the County. He also asked about the Clearwater permit. Larry said both items are on the agenda.

Committee Reports

Larry requested that committee chairs post minutes of their meetings on the HPPOA website.

Parks Committee: Verne said "Everything's been put on the back burner." Larry suggested asking the Mayor's office about future bond issues or monies available at the end of the year.

June said a survey was done several years ago of what people want to see in the park. The Parks Committee may need to combine with the Community Action Committee. She has been promised support from the Planning Department to go to the County to develop a town center and possibly some parks in HPP.

Community Action: Terry said 8 or 9 people signed up for the committee at the membership meeting. They will meet after Judy returns in January.

Hawaiian Path: Larry reported that he resigned as co-chair; John Seastrom is now sole chair of the committee.

Member Dean Silber is attending PATH Hawaii meetings in Kona. This is a County-wide group developing paths, mostly in Kona. HPP's Path Committee hopes to affiliate with them in developing paths within the Park.

PATH Hawaii will present a bicycle safety program for families from noon until 2:30 p.m. on Feb. 23, before the membership meeting begins at 3:00. This will include a family ride on a selected route through HPP.

The Paths Committee is developing a trail adjacent to the Activity Center, and is seeking volunteers for the project. A perimeter trail may also be developed, possibly to be maintained by HPPOA staff once it is completed.

Money is not available for the nine- to ten-foot wide bike and walking path the committee hopes to build along the Hilo side of Paradise Drive, from the highway to the ocean. The cost of the path is estimated at \$270,000.

Larry Brennan moved to approve permission for the Paths Committee to contact schools, newspapers, and County officials to encourage attendance at the bicycle safety program on February 23, 2014. June Conant seconded, and the motion passed unanimously.

Road Traffic Safety: Verne thanked Scott and Tommy for the sign installations at all the road markers. He has counted 570 possible line-of-sight issues in the subdivision; the committee has not yet determined how many of those corners are currently safe. The committee proposed that the Board approve purchase of a compressor. Scott said this is unnecessary, because the road crew repaired the Association's compressor, at a cost of \$250.

The committee also requested markers to be placed along First Street in at least 3 locations and in 1 location on L Road, as well as permission to demolish a 3-foot outcropping on L Rd. at the site of a recent accident.

Dorothy Heinrich asked why the committee has singled out their easement. Verne said it is a line-of-sight issue. Scott said there are other situations which are just as bad, but "there's no bail-out area there." He is not sure HPPOA's equipment can break up the blue rock, and rental of heavy equipment may not be provided in the current budget. Scott suggested that road traffic forums are a better vehicle for addressing safety problems than Board motions. Also, the Road Traffic Safety Committee has a forum for safety issues, which comes to his desk. He said the committee can put up markers wherever they want the easement cleared, and added, "Something should be done." He asked to be allowed to evaluate the situation, have the crew act on it, and then ask the committee for feedback.

Larry said the Board can come up with a plan for dealing with safety issues and discuss their feasibility with Scott. He asked Scott to explore the committee's proposals.

Test Roads Committee:

Larry Brennan moved that the Board approve the following procedure for the Test Roads Committee:

- 1) **The Committee will utilize the procedural materials submitted by Larry Brennan at the September meeting as a starting point for test road development;**
 - 2) **The Committee asks permission to contact our consultant engineer for a 2-hour consultation, to cover initial contact, examination of preliminary written materials and a 1-hour formal meeting with the Committee;**
 - 3) **This Committee will meet initially once a month to further develop procedures, finalize selection of test roads, and select materials and methodology for application of materials;**
 - 4) **The Committee would then put in place the road monitoring system to have comparative data for the test roads;**
 - 5) **The final step of the process would be for the Committee to take the data and submit it to analysis, using committee debate, best practice and professional consultation to make final recommendations to the Board;**
 - 6) **This final report developed by the Committee will be used as a "road map" for HPPOA to use in road development. The Committee will then disband.**
- June Conant seconded, and the motion passed unanimously.

Finance Committee/Treasurer's Report: June reported account balances as of October 31, 2013:

Bond Construction Fund	\$1,545,992
Savings, Checking, Investments & Bond Reserves	<u>\$4,274,846</u>
TOTAL	\$5,820,838

The Committee proposes no increase in fees for the upcoming fiscal year, but also no discount for early payment. It also recommends that 25% of past past-due funds collected be deposited quarterly into the Capital Improvement Fund, to ensure ongoing funds in that account. The remaining 75% will continue to be deposited in the Road Improvement Fund.

Collections efforts through small claims court are progressing, with approximately 10 owners a month. The default judgments now make it important to obtain legal advice on how best to proceed to collect.

June Conant moved to send a third billing in September of each year beginning September, 2014. The motion passed unanimously.

June Conant moved that 25 percent of the past past-due monies collected be deposited quarterly starting at the first quarter of 2014 into the Capital Improvement Plan fund. The motion passed unanimously.

June Conant moved to approve the expenditure of \$240 for a one-hour consultation with attorney Sandra Song, to obtain legal advice on the best means of collections and possible foreclosures for difficult accounts. June Conant, Scott Reilling and Christine Scherr (Collections Clerk) will be the primary attendees for this consultation. The motion passed unanimously.

June Conant moved that the 2014-2015 road fees be \$275, with no discount. The motion passed unanimously.

[Joan left the meeting at 7:30 p.m.]

General Manager's Report: Scott reported that the new road crew hire is "working out well" and the roads overall are in good condition.

Because of past complaints on the quality of materials, Scott continues to get materials from Sanford, at a cost substantially more than Puna Rock. "If I were a private contractor, I would get my materials from Puna Rock."

Scott has received permission from Warren Lee of Public Works for the County to demonstrate the sickle bar cutter. This attachment can be used with the New Holland. Small claims court collections are slow and meticulous, but working relatively well. \$60,000 has been collected.

QuickBooks has "some bugs" but is working. A planned, free upgrade is expected to operate better than the current program.

The staff was able to repair the roller, at a significant cost savings.

The replacement of stolen tools is slow, and some have had to be purchased.

Reimbursement from the insurance carrier has been requested.

Unfinished Business

Motions Log: June will continue working with Cathy to keep it updated.

Old Business

Nominating Committee: June said the committee will have its first meeting on Dec. 4.

Volunteer Coordinator: Larry moved to hire a volunteer coordinator for 20 hours per week. June asked to refer the request to the Finance Committee. Larry accepted her request.

Phase V Paving Contract: Scott reported that the permit from the National Pollution Discharge Elimination System (NPDES) of the Clearwater Branch should be in hand shortly, since the 30-day waiting period to allow comments has passed. Scott has received Yamada's numbers for paving preparation. "If we're going to pave 5 miles, we're going to have to do the subgrade ourselves." There is a 1% increase in paving cost since the Maku'u paving, and he is considering other options. Grading is a "soft cost", since it is already in the budget. Bill asked Scott to estimate the prep costs if done inhouse, including man hours.

Paradise Ala Kai Restoration: Scott gave a power point presentation to illustrate the engineering problems on the curve, which is narrow and sharp—almost 90° at one point. He has received design bids of \$10,000-\$12,000. Scott recommended allowing the road crew to add 6 feet to the inside of the curve and to add a 5-foot walking path on the outside of the curve to remove pedestrians from the roadway, at a total cost of approximately \$15,000. Water flow and elevation discrepancies will also have to be addressed. Paving of the expanded roadway will be contracted out. The roadway would have to be closed for 4 or 5 days while the repairs are being done. Bill asked whether the paving could be combined with the Phase V paving, while the contractor's machines are in the Park.

Chipseal/Dust: Bill requested permission to speak to Yamada about using chipseal for dust control. He would also like to talk to the HI5 company about hauling trash in return for a location for a recycle bin at HPPOA, as well as the person with a proposal to deliver mail in the Park. The Board granted permissions, with the caveat that Bill report results at the next Board meeting. Bill asked whether permissions from the Board can be granted by email.

Payment to Sadamoto: A Japanese foreclosure has to go to sale again, because it was not done right the first time. Mr. Sadamoto, appointed by the court to oversee the foreclosures, is owed \$2,859.19 for his services. June said the Association already has \$16,000 in an escrow account, from which the funds may come.

Bill Newman moved to pay Mr. Sadamoto \$2,859.19 for services on a Japanese foreclosure, as ordered by the court. The motion passed unanimously.

Special Use Permit: Wally's Auto has applied for a request for a lifetime extension of his special use permit and to remove the previous landscaping requirement. The Board expressed concerns and the need for more information. June offered to speak to the Planning Department about the Board's need for more time to consider the proposal.

New Business

Owner Email: Bill said the communication between the Board and members is poor. He would like to email a one-page summary of what's going on every month, if an email list can be compiled. June said there is an email list at the membership meetings where they sign in.

Terry said email addresses have been requested, but many owners do not want to give them. Also, someone must be in charge of the list.

Albezia Eradication: Larry suggested presentation of a plan at the Feb. membership meeting for eradication of albezia trees on the Association's 20-acre parcels, to use Milestone on the interior trees. He added, "Sometime, we're also going to have to address the trees on the exterior of the parcels because of diminishing use capability."

Windward Planning Comments: June said at the hearing for the Greenlaw's special use permit, she and Larry notified the Planning Commission that the Association has formed a Community Action Committee to develop a land use plan, including a town center, in hopes of removing the need for special use requests.

The Greenlaw's permit was granted.

Road Dedication Ballot: The final count for dedication of the four main roads to the County was 1442 for, 312 against. June said this will be included in the Master Plan. Larry suggested notifying the County Councilman as well.

Easement Variance: A lot which is for sale has a rock wall intruding 18-24 inches into the easement, and the owner has asked the Association for a variance.

Scott said ag land has a 6-inch tolerance.

June said there has been a precedent, which required a legal document. She said a "hold harmless" clause must be included in the document.

Bill said the owner must pay all costs.

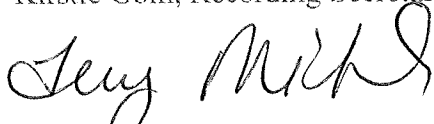
Terry Michels moved to approve a variance for a property on 7th Ave. whose rock wall intrudes on HPPOA's easement, with a "hold harmless" clause. If they refuse, the offer is withdrawn. The motion passed unanimously.

Adjournment: The meeting adjourned at 9:00 p.m.

Submitted by:



Kirstie Goin, Recording Secretary



Terry Michels, Corporate Secretary

Motions Log 11-20-13

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