

**Hawaiian Paradise Park Owners Association
Approved Minutes of the Board of Directors Meeting
August 21, 2013**

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

Directors: Merrill "Skip" McAlister, President; Larry Brennan, Vice President; Theresa "Terry" Michels, Secretary; June Conant, Treasurer; Bill Newman, Tom Nickerson, Judy Sumter, and Verne Presnall. [Francis Ganon was off-island.] Scott Reilling, General Manager, and Kirstie Goin, Recording Secretary, also were present.

Guests: Vicki Vierra, Mayelin Stillwell, Robert Buuma, Joan Galante, John Seastrom, and Derek Alatau.

Approval of Agenda: The agenda was approved as written.

President's Report: After a review of Roberts Rules, Edition 11, Skip concluded that "we do not have to go through all the formalities." Motions need not be seconded. There is no limit to the number of times a member may speak to a debatable question. Informal discussion of a subject is permitted while no motion is pending. When a proposal is perfectly clear to all present, a vote can be taken without a motion's having been introduced. The chair may speak in informal discussions and in debate and vote on all questions without leaving the chair.

Motions, once passed, cannot have exceptions or exclusions. They must be amended, rescinded, or followed in every circumstance.

Act. 126 of Hawaii Revised Statutes 414 D, effective June, 2013, provides that "directors of nonprofit corporations shall have access to books, records and documents to the extent reasonably related to their duties as directors at any reasonable time."

Legal information, lot owners' addresses, and employee salaries will not be released.

Skip explained Bylaws procedure for removal of Directors and discussed motions that effect HPPOA policy, including expenses exceeding \$1500 require Board approval, and those expenses must be included on the agenda with amount given.

Larry commented that this Board has the opportunity to create a fiscal policy.

Skip handed out forms with a list of all the roads to all members of the Road Traffic Safety Committee and to all Directors, to provide a means to note safety issues as they are noticed.

A cost analysis of repairs to the Dixie Chopper indicates \$3,871.75 was spent on parts for the mower.

Skip asked who authorized the building of the bus shelters on Paradise Dr. and Maku'u. Two newspaper articles quoting HPPOA Directors were printed without knowledge of the remainder of the Board.

Skip McAlister moved that all Board members are not permitted to contact any government agencies, vendors, press or other media as a representative of HPPOA without prior approval of the majority of the Board. No Board member can use their title to imply they have Board approval when none was given. If

circumstances cause time to be of the essence, the President of the Board is permitted to make contact with the media. With that said, media is to understand the comments are without Board approval. It is also understood the President will notify the Board with the details and circumstances as soon as possible. The motion passed by a vote of 6 for, 0 opposed. June Conant abstained.

Owner Input: Vicki Vierra said Mililani Trask's IEG Corporation recently received a \$1.25 million grant from the OHA Board to research geothermal drilling at Maku`u Dr. Vicki said this raises health and environmental concerns, especially for children and the elderly in the Park. Since the passage of Act 97, the State and any developer can go onto any conservation, State or ceded lands and do geothermal drilling.

HELCO has bids out to drill at Pohoiki, in lava zone 1. Puna Pono Alliance was formed by residents who live near the existing geothermal plant and have suffered health effects for the past 30 years. They have asked HELCO to stop the bid process until the Adler health study recommendations have been met.

Robert Bowman said hiring water trucks to spray an entire mile of street to ameliorate the dust problem is a waste of money. He suggested that doctors' statements be required to certify health problems and added that spraying should be reduced to 3 lots before and 3 lots after the person's house. Further dust-preventive measures could be encouraged, including screens on windows and face masks worn when cars drive past. Skip said that the dust problem and blind intersections are the top priorities for this Board.

Joan Galante objected to comments made about auditor Ron Dolan at the July meeting as well as comments about the League of Women Voters performance in the last election "when it was really the Board's fault".

Derek Alatau asked about the status of the road paving. Scott said he expects to hear back in about a month.

Approval of Minutes: Approval of minutes was tabled until the September meeting to allow June time to email proposed corrections to the Board.

Committee Reports

Parks: No report.

Hawaiian Path: John Seastrom said HPP was encouraged by the PCDP Committee to coordinate with other communities and "to get on Board" with the Puna Community Development Plan to get credibility at the County level. He introduced the motion:

The Paths Committee recommends that the HPPOA Board take a leadership role in development of a new Community Action Committee to work on the development of the HPPOA Master Plan. A new, updated HPPOA Master Plan will enable HPPOA to be an active and equal partner in the Puna community. The motion passed unanimously.

Larry said the Master Plan is a vision of the future, but it didn't meet criteria with the County. "We need to make it achievable and make plans how to do it."

Judy and Terry volunteered to examine the Master Plan and "downsize it so the whole Board can look at it".

John added that committee member Dean Silber is meeting with the Kona group, Path's Hawaii, which may affiliate with HPP's Paths Committee to provide 501c(3) status for grant applications and tax-deductible contributions.

HPPOA Path Committee hopes to host a Path's Hawaii presentation on bike and walking path safety at the February general membership meeting. *[This proposal will be included on the agenda for September.]*

HPPOA's Path committee members plan to meet with Councilman Ilagan and Ron Thiel of the County roads department to discuss funding initiatives to begin Phase I, from Highway 130 to the ocean on Paradise Dr. Several Directors plan to attend the meeting.

Malamalama School has expressed interest in a partnership with the Paths Committee to develop a park or trails on unused sections of their leased property. Tom said they also are considering a community garden. They have 501 c (3) status as well.

Larry asked the Board for approval for Tom and Larry to meet with Malamalama School. Permission was given.

Road Traffic Safety: Mayelin Stillwell handed out a draft policy on right-of-way and enforcement. She is also waiting for a response from Ron Thiel concerning surplus signage.

Tom addressed the issue of on-street parking blocking emergency access at curves, narrow roads and areas of dense housing. Mayelin said L Rd. has numerous encroachments, which present hazards to bikers and pedestrians.

June and Verne have posted "No Parking" signs on Paradise Ala Kai.

Finance: June reported that the August meeting was attended by newly-elected members Joan Galante, Dale Watson and Steve Crawford. Verne, Skip, Cathy and Scott also attended. Budget discrepancies were resolved in a short meeting at the office today.

Significant accounts were discussed, including dust control maintenance, mower repairs, theft loss and resultant office repairs, and atypical legal and technical expenses.

QuickBooks recovery has been completed for payroll, AP, and payments through March. Scott said it is now complete through April and proposed a short-term contract for Kitty Kennedy to review the system until it is working properly.

Two collection suits in small claims court were resolved successfully through mediation, with payment plans established. Both were in arrears more than 10 years.

June Conant moved that the Board appoint Verne Presnall to be the designated director to the 2013-2014 HPPOA Finance Committee. The motion passed unanimously.

Treasurer's Report: June reported account balances as of July 31, 2013:

Bond Construction Fund	\$1,550,197
Savings, Checking, Investments, Bond Reserves	<u>\$4,293,650</u>
TOTAL	\$5,843,847

With help from Joan Galante and June, a second billing was sent in July.

The profit and loss statement shows \$10,500 was spent in one month on repairs for the New Holland. Skip said the Board should have been notified before this amount was spent.

General Manager's Report: Scott reported that a maintenance worker has been on temporary disability insurance for almost 6 months, and his coverage is about to expire. With only 4 crew members, one person is 25% of the workforce. Several projects have suffered from the shortage of manpower.

Scott is preparing two more collection suits for small claims court on September 9. He intends to ask the judge to include the mediation agreement as a judgment, because otherwise if an owner does not meet the agreement, the Association must take him to court again. At that point the lawyer will assume the process.

Collection expenses, including court, mediation and office staff time, are met by the lot owners. Scott said we can process approximately 8 suits per month.

Some owners are agreeing to payment plans by phone, without court involvement.

Scott presented a materials cost comparison of Sanford's versus Puna Rock for the Board's consideration, at Francis' request.

The insurance company will replace all the stolen maintenance equipment for \$1000 deductible.

An engineer prepared the request for proposal to redesign the curve at Paradise Ala Kai.

The New Holland has cost \$40,000 for repairs in seven years and may need to be replaced.

The new groundskeeper, Lance Komacho, is working out "real well", and so is our Recording Secretary.

Skip said the office is running much more efficiently than in the past.

Scott said Cathy and Morgan will work overtime this Saturday. They are trying to finish the QuickBooks conversion by the end of September, if possible.

Unfinished Business

Copy Machine: Scott said it is time to replace the copy machine, because replacement parts are no longer being made for it. He submitted for approval a five-year, \$18,700 lease agreement with Toshiba Business Solutions, including toner replacement. Maintenance fees will be \$150 per hour, with a two-hour minimum.

Dust Committee Recommendations: Tom said we need to respond to the Department of Health. Committee recommendations that will not cost much money include disclosure, signage, and a dust hotline.

The Association can notify offenders who speed and create dust with a friendly letter, to be followed by a formal notice after repeat offences. Tom said non-residents and non-owners may be issued a no-trespass order. June said there is a no-trespass form, which can be filed on record at the Police Department.

June said Gary Gil of the State Department of Health is watching this issue closely and complimented the Association for effecting enforceable speed limits. He told June to get a signed statement from owners who are offered a dust fence and refuse. She added that he understands that some owners are using the dust issue as a political ploy to get paving.

Skip said some of the mistakes made by the Association in maintaining the roads are creating the dust. He suggested experimenting to determine which materials and techniques of application support retention of water.

Scott said the experiment of adding cement to the cinder is not cost-effective, because it did not last.

Tom said he had understood that there was an imminent threat that the DOH would levy a \$25,000 per day fine.

Skip said the Board needs to set up a plan to get the dust under control, because it is affecting people's health.

Larry offered to draft a dust control policy. He also submitted a proposal to monitor water retention in cinder versus basecourse. Scott said he would do this end-to-end on a road.

Bill suggested that the Association notify the Department of Health of steps which have been taken by the Association, and that the Board network with people they know and then compare information.

Policy and Procedures Policy: Larry submitted a draft policy for consideration, with suggested changes. The Board considered each change individually. Removal of staff for violations was taken out by a vote of 5 to remove, 2 to keep. The flow sheet for development of policies, Attachment B, scenario 1, was adopted by unanimous vote.

Larry Brennan moved to approve the policy for development of policies and procedures, as corrected, to serve as the boiler plate for all subsequent policies to be developed by the Board. The motion passed unanimously.

New Business

Special Use Permit Application: Tom said the hearing is tentatively set for November or December. The applicant, Mrs. Greenlaw, was unaware that this item was on the agenda for tonight's meeting.

Larry said this road is the most busy dead end road. He suggested that they help by watering the road, since they own a water truck. Tom said Mrs. Greenlaw told him they already spray water on the road.

Bill asked to invite them to make a presentation at the next meeting.

Scott said he will call the applicants, as well as write the Planning Commission to state that the paperwork was received and comments will follow. He will request an extension to accept the Board's comments after the September 5 deadline. In his opinion, the application will be approved regardless of HPPOA input.

Community Election Delegation: Tom submitted a proposal to create a delegation composed of Directors in the second year of their terms to liaison with the Nominating Committee, to make their job easier.

June said some aspects of Tom's proposal require Bylaws amendments. She asked Tom to develop an elections policy in compliance with current Bylaws.

Skip said to ensure that potential candidates are nominated at the October membership meeting, the Board will compile a Nominating Committee at the September Board meeting.

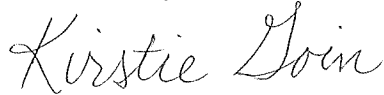
Activity Center Rental: Bill asked about the current policy on rental fees for other non-profit organizations.

Tom said there is a policy, but it is not approved.

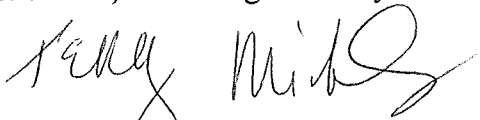
Skip suggested that he and Larry review approved motions to create policies on various issues, using the newly-approved policy on policy and procedures.

Adjournment: The meeting was adjourned at 8:53 p.m.

Submitted by:



Kirstie Goin, Recording Secretary



Terry Michels, Corporate Secretary

Motions Log Board of Directors 8-21-13

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