

**Hawaiian Paradise Park Owners Association
Approved Minutes of the Board of Directors Meeting
January 12, 2005**

Call to Order: The meeting was called to order at 7:00 p.m. by Frank Annin, President.

Members Present: Frank Annin, President; Gerard Silva, Vice President; Mark Cook, Secretary; Allan Deehr, Treasurer; Erhard Autrata, Barney Sheffield, Bill Carlson, and Barbara Kahn-Langer. Rick Frazier was absent.

Announcements: Bobbi Stutsman was not present because she was ill. Also, David Day has been out since before Christmas and may not return to work until January 25 at the earliest.

Lot Owners Present: William Turner, Jackie Gardner, Bobbie Alicen, Marlene Lundquist, Floyd Lundquist, Ron Phillips, Ben Mead.

Owner Input: Floyd Lundquist stated that a deep hole on Kaloli at 22nd is causing cars to swerve across the center line; a red cloth has been put in it to warn drivers. Frank said there is also a large hole at the 29th and Paradise; the Board will address the issue of hiring a temporary replacement for David Day.

Marlene Lundquist said that the center divider reflectors and side yellow lines on Kaloli need replaced.

Ron Phillips asked the status of paving Paradise Dr. Gerard said the money will not be available until July. Allan said it is a priority. Bids have been received, and when he prepares the roads budget for 2005-2006, it will be budgeted. Frank said Paradise will be paved to County standards to one block past the fire station.

Approval of Minutes: Allan Deehr moved to approve the minutes of December 8, 2004, as amended; Barbara Kahn-Langer seconded. Gerard Silva, Allan Deehr, Erhard Autrata, Barney Sheffield, and Barbara Kahn-Langer voted for; Mark Cook and Bill Carlson abstained because they were not present at the meeting. The motion passed.

Treasurer's Report: Allan reported that as of the end of December, the account totals were:

Road Savings	\$751,415
Roads Checking	\$ 68,387
Non-Roads Checking	\$ 30,898
Activity Center Reserve	\$ 36,263
Restricted Reserve	\$ 20,484
Coqui Eradication	<u>\$ 33,272</u>
TOTAL (+ petty cash)	\$941,297

December's monthly income was \$22,740, approximately \$15,000 of which was collection of delinquent accounts. The month's expenditures totaled \$65,896. The audit and federal 2003-2004 tax return have been concluded and reviewed by Allan and the General Manager. The audit raised the concern that all accounts except one are in one financial institution, the total exceeding the \$100,000 FDIC limit. Also, collection of delinquent accounts did not improve during 2003-2004, and there were over 1000. As of December 1, 2004, there were 900 delinquent accounts, of which 600 were more than one year past due.

The account used the term "doubtful accounts" for \$550,000 of the \$700,000 accounts receivable. Allan did not accept this term and will attempt to have it removed from the tax return before he signs it.

All 900 delinquent accounts have been recalculated by hand, using a chart prepared by Bobbi to facilitate the process. By the beginning of next fiscal year, the accounting system will be changed to QuickBooks or a similar program to prevent illegal compounding of interest in future.

Mark said it is important to address the issue of all the monies in one account as soon as possible. He volunteered to help Allan with this, if needed.

Mark Cook moved to address the topic of Association funds in one financial institution, exceeding the FDIC limit of \$100,000, and to present alternatives to the Board at the next meeting. Barbara Kahn-Langer seconded; the motion passed unanimously.

Frank thanked Allan for presenting a clear statement of the Association's finances.

General Manager's Report: Bobbi Stutsman was not present to give her report. Frank thanked Erhard for volunteering his labor on the safehouse, saving the Association thousands of dollars. Erhard said only painting and sheetrock remain to complete the project. He estimated it has cost under \$10,000.

Human Resource Committee: Mark Cook reported that the committee, consisting of Frank, Bobbie Alicen, Bobbi Stutsman and himself, is adapting the United Way human resources policy to derive a useful policy for relationship between the Association and its employees. He said he feels it will give the employees a confidence that their needs are being taken care of. Frank stated that the committee meets every Friday morning and would like to have it completed by the February meeting, but that goal may be "a little optimistic." Mark stated that it will be ready sometime between the February meeting and the "turn of the next century."

Unfinished Business

District Improvement Proposal: Gerard reported that the next step in obtaining the loan through the County to pave all the roads is to meet with Mayor Kim. After that meeting, the proposal will be presented to the County Council.

Security: Frank deferred the discussion until Bobbi could present the information she has gathered.

Waters of Life School: Allan said there is nothing to report because the charter and plan were not received.

Barney asked about the Malamalama lease. Allan said Bobbi has requested a copy of the lease and current financial records from the school. The lease expires May 31.

Shoulder Maintenance Proposal:

Barbara Kahn-Langer moved to continue the shoulder maintenance proposal until the next meeting so that all the Board members could obtain a copy and Rick Frazier could be present to explain his proposal. Mark Cook seconded; the motion passed unanimously.

New Business

William Turner Special Permit Request: William Turner has applied to the County for a special permit to operate a gunsmith business from his home. He submitted a letter to the Board notifying it of this application and explaining that he has applied for a federal firearms permit. He has a gun safe; no firing of guns will occur on site. Mr. Turner has received permission from his neighbors; he and his wife were present at the meeting to answer questions.

Mark asked what level of smithing would take place. Turner responded that his business would be repair and replace only, not manufacture.

Barney asked if there would be loading of ammunition; Turner said no.

Mark asked if there would be toxic chemicals involved. Turner responded that there would be some toxic chemicals, which would be delivered and removed by a company called Unitech.

Erhard said he checked out the security of Turner's house and it "looks pretty good."

Bill asked about a firing range; Turner said he is a life member of the Hawaii Gun Association and has access to their range.

Gerard said the County has been encouraging small businesses.

Mark Cook moved to give William Turner permission to proceed in the special permit process to operate a small gunsmith business from his home. Erhard Autrata seconded; the motion passed unanimously.

Other: David Day will be out of work until January 25. He is off-payroll, as his sick time is used up. Frank said it is important to hire someone temporarily to deal with emergency situations such as large potholes. Bobbi has a couple of names of persons possibly interested in the work. Allan asked whether to hire through a temp agency.

Mark Cook moved to authorize the General Manager to hire on a temporary basis through a temp agency a grader operator and utility worker to replace David Day while he is on sick leave. Allan Deehr seconded; the motion passed unanimously.

Ad Hoc Road Committee: Gerard reported that he has received three bids for the project on 30th Ave. Also, there is a bid to finish 28th.

Allan said Bobbi verified that HPPOA did not pay the engineer to assess 30th; Yamada hired Ron Nichols.

Erhard said that because lots in the area have been recently ripped, the water will flow differently than previously assessed. He proposed repositioning the drywells, placing one to catch the water from Kaloli, also two more to catch water running off the highway. He also proposed ripping a swale from Kaloli to Highway 130 along 30th Ave. six feet wide and 24 inches deep, with ¾-1-inch gravel in the cracks to allow proper drainage and sprinkled with cement to prevent it washing away. The drywells are to be eight feet by eight feet, with precast top and removable grills and no rings for better drainage at a cost of \$3000 each. Yamada's bid is for four drywells at \$8000 each with two rings.

Gerard said he checked out the drainage during heavy rains and feels that if the water can be slowed down, most of the damage can be prevented. Yamada's bid includes paving the swale and also 30th, which must be rebuilt and raised as much as a foot in some areas. He said the road will be banked to drain the water toward the drywells. He said ripping temporarily changes water flow, but not permanently.

Barney said that an engineer's stamp relieves the Association of liability.

Barbara objected to the process; she said the committee can establish parameters of work and report periodically to the Board, but she is uncomfortable with the committee seeking bids. Gerard said the Board authorized Bobbi to solicit bids. She said the County just punches holes, much like a cesspool with a grate on it in areas with large amounts of water drainage. She suggested trying a less expensive solution at first; she is not convinced four drywells will solve the problem.

Mark said it is possible such work could hit a lava tube. Yamada has proven they can deal with problems which might arise. If drywells help, they can be used in other areas with drainage problems.

Barney agreed it is best to go with a company with experience and bondability.

Bill said he heard \$78,000, not \$169,000. Gerard said the remainder is the cost of paving the road. Bill asked whether we can afford it.

Allan also stated that he is uncomfortable with the process; the request for bids should have set certain criteria. Since drywells have been proposed on the main roads, this project could help with that decision.

Gerard Silva moved to accept Yamada & Sons' bid of \$169,047.50 to install four drywells and a swale on 30th Avenue, plus paving of 30th from Kaloli to the dead end; and also to accept the bid of \$62,600 to finish the paving of 28th to Maku'u. Mark Cook seconded. Barney Sheffield, Gerard Silva, Bill Carlson, Barbara Kahn-Langer, Allan Deehr, and Mark Cook voted for; Erhard Autrata voted against. The motion passed.

Mark suggested that the Board appoint a committee to negotiate a contract with Yamada. Allan suggested asking for a contract with specific details; if rings are not needed, HPPOA should not be charged for them.

Allan Deehr moved to request a written contract with specific details from Yamada & Sons regarding the drywells, swale, and paving on 30th Avenue and 28th Avenue. Barney Sheffield added a friendly amendment that the Board instruct the General Manager to communicate with Yamada & Sons in the next two business days. Barbara Kahn-Langer seconded; the motion passed unanimously.

Adjournment: The meeting was adjourned at 8:25 p.m.

Respectfully submitted by:



Kirstie Goin, Recording Secretary



Mark Cook, Corporate Secretary

Motions Log 1-12-05

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Not given at Board meeting

**B. Stutsman (G.M.) Report to the Board
January 12, 2005**

- ❖ We're waiting for the safe room to dry out so we can seal inside and out, paint the trim and paint the interior. Erhard has installed two attic vents, one electric.
- ❖ The Planning Commission is having a public hearing Friday, February 4th for all interested parties regarding the special permit request of J & J Storage on Kaloli and 13th. Suggest a Board member attends to promote our position of paving the area on 13th that would run the width of the lot and to also have the entrance elongated to minimize cars in the roadway while entering or exiting the facility. You have copies of the notice.
- ❖ Please begin to be aware of possible candidates from Districts 5, 7, and 8 that are coming up for election in June.
- ❖ The Road Recovery Schedule has been on hold while Dave is out for medical reasons, shoulder pain. I have received his doctors instructions that he will not be back to work before the 25th, when she sees him again, due to his response to the medication they have him taking. I will be meeting two men Thursday who could help us with road work. Dave, who recommended both men, told me they are familiar with grader and roller work plus additional skills we can use and are amenable to \$15/hr pay rate.
- ❖ The "Bots Dots" (ceramic markers) are here but need dryer weather to put them down. I have also added an area on Maku'u, before 12th, to alert drivers to the deep water pooling that occurs at 12th whenever we have sustained rain. Warning signs will also be put up on either side of 12th. "Caution. Road Floods at 12th."
- ❖ The white lettering on the "Hill" signs on 28th will be changed to black lettering.
- ❖ I have not heard back from Diane Liborio, resident on 29th of Maku'u, Pahoa side, who has asked for permission to pave in front of their property. She is checking with her neighbors regarding their interest or commitment to pay for paving to Maku'u.
- ❖ I checked 31st on Paradise. The shrub/tree will be trimmed back to the shoulder width, 5 feet. The pothole looks like it could be filled with cold patch as a temporary yet lasting solution, until paving is done. This points out the importance of "fanning" all intersections with asphalt.