

**Hawaiian Paradise Park Owners Association  
Approved Minutes of the Board of Directors Meeting  
April 13, 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; Allan Deehr, Treasurer; Bill Carlson, Rick Frazier, Barbara Kahn-Langer, Erhard Autrata, and Barney Sheffield. Bobbi Stutsman, General Manager, was also present.

**Guests:** Bobbie Alicen, Lorene Hough, Jay Warkentin, Blaine Oipma, W. Iwkepe, Skip Tavares, Walter Moe, Charles Cartwright, Mary Marvin Porter, Louise Wisechild, Shepherd Bliss, Lloyd Cabral, Doug Hough, Ben Mead, Richard Stutsman, and Ron Phillips.

**Owner Input:** Walter Moe presented a proposal for the alternate route through Hawaiian Paradise Park, suggesting that the route run through Hawaiian Homelands to a road parallel to the Park on the south end with one or two entrance points into the subdivision. Traffic would be routed along 3rd, 10th, and 28th avenues to Shower Dr., which would be extended toward the ocean, and from there on toward Hilo. He has presented the proposal to Townscape and asked the Board to take an official position reflecting the feelings of the community.

Mary Marvin Porter has spoken to the County regarding the required spraying of poisons for ground termites before a concrete house pad can be poured. She said the poison infiltrates ground water, and that termites do not live in lava, so she feels that the spraying should not be required in Puna. The county building code is being considered for amendment at a meeting of the Hawaii County Council Committee on Public Works on May 3 at 9 a.m. The public is encouraged to testify or send letters. She asked that the Board e-mail the committee, stating their concern that unnecessary spraying of poisons is not healthy. Donald Ikeda, the chair of the committee, can be e-mailed at [diked@co.hawaii.hi.us](mailto:diked@co.hawaii.hi.us) with a request that he distribute copies to other council members. Comments can also be sent to Brian Kajikawa, Building Division Chief, at [publicworks@co.hawaii.hi.us](mailto:publicworks@co.hawaii.hi.us).

Bobbie Alicen stated that paving accelerates growth, installing County water lines accelerates growth, and putting in a highway or improving the existing highway really accelerates growth. She asked whether the County has talked to all the communities to determine which welcome growth and which do not.

Louise Wisechild suggested that as an alternative to building a new road, development could be planned to reduce the need for transportation by providing services within the community. She asked whether the parcels owned by the Association could be developed to provide a market selling basic goods. Gerard explained that the commercial parcels are owned by Watamull, not HPPOA. The Association cannot use its parcels for

commercial purposes.

Ron Phillips said that he is part of an oversight committee which would like to see the Board be more proactive in representing the issues and concerns of the subdivision to the County. He said many residents "don't want the County in here any more than is needed."

Shepherd Bliss said the proposal by Townscape is basically solid. However, it is fundamentally flawed in its projected population growth from 30,000 to 80,000 in the next thirty years. He said, "This may or may not happen." It also does not consider the impact of rising gasoline prices on use of cars and buses. He suggested a massive education campaign to teach citizens to choose new travel options . He proposed moving toward a consensus decision on the alternate route which does not include the government condemning the land of hundreds of people.

**Approval of Minutes: Barbara Kahn-Langer moved to approve the minutes of March 9, 2005, as written. Allan Deehr seconded; the motion passed unanimously.**

**Treasurer's Report:** Allan reported that the primary account balances as of March 31 were:

Roads Saving	\$1,481,573
Roads Checking	23,597
Non-Roads Checking	30,629
Activity Center Reserve	36,271
Restricted Reserve	20,391
Coqui Eradification	22,704

The total in all accounts, including petty cash, was \$1,615,816. Total income for March was \$434,448, total monthly expenses were \$138,556, including \$84,000 for liability insurance. He and Bobbi are working to reduce this premium significantly.

The road assessments were due March 15; as of March 25, 76 percent (\$895,254) had been collected.

This year to date \$175,878 in delinquent fees and interest have been collected. Fifty percent of the roads budget and twenty-seven percent of the non-roads budget has been spent.

Allan has identified the ten most delinquent lots and is pursuing legal action against them, including foreclosure if necessary. Bobbi said that many of the lots with long-term delinquencies are being sold, probably due to the increased land values.

**Barbara Kahn-Langer moved to approve the treasurer's report as presented. Rick Frazier seconded; the motion passed unanimously.**

**Special Reports**

**Oceanic Warner Cable Company:** Skip Tavares said that his company is receiving

requests for increased service, but their present fiber-optic facilities are full. He is seeking another easement from the Board to install a hub in the middle of the subdivision, at or near the Activity Center lot. A twenty-foot square of land is required, which will have a chain-link fence around it. Tavares said service cannot be provided until an area meets the thirty homes per mile requirement. At first the hub will only relay signals from the existing site at 32nd and Paradise, but eventually more equipment will be added. Placing it in the center of the subdivision makes it less expensive to extend service to populated areas further from the highway. The only noise would be from a back-up generator in case of a power outage.

Barbara asked what the Association would receive in exchange for allowing the easement on their parcel. Allan said it could not accept fees. Tavares said his company could provide free internet service to the office, as well as several computers with internet service for the library.

**General Manager's Report:** Bobbi reported that the delinquent accounts have been calculated through December, 2004.

The new tamping machine was used at the mailboxes on Kaloli. The road crew plans to try it on the cinder roads filling potholes.

She reported no change in David Day's status.

She has received no bids for the shoulder maintenance or brush cutting proposals.

The grader received six new tires after one of the tires had a blow-out; it was up and running the next day.

The Bot's Dots were installed on 28th, Maku`u, and Kaloli. Several broke loose because initially the torch did not heat the asphalt hot enough. The problem was corrected, and the loose dots will be replaced.

Erhard suggested filling potholes on the cinder roads with cement. Gerard said it has been tried, and creates a new hole next to the old one.

### **Unfinished Business**

**District Improvement Proposal/HB 1214:** Gerard reported that he is waiting for the proposal draft and the payback figures, which were promised by today but not received. The State legislature is considering HB 1214, requiring that prevailing wage be paid on construction of roads on private land used for public purpose, even if paid for by private funds. Gerard said this bill increases the estimated paving costs as much as 40 percent, possibly making the District Improvement Project unreachable. The bill was approved by the Senate and has been returned to the House for ratification. Gerard called all the representatives and senators, urging them to defeat the bill. Frank has drafted a letter, asking the legislators to defeat this bill. Barbara suggested including the statement that Hawaiian Paradise Park is the second-largest subdivision in the country in the letter.

**Barney Sheffield moved to accept the resolution concerning HB 1214 as corrected, to be signed by the Board members and sent to the State legislators. Barbara Kahn-Langer seconded; the motion passed unanimously.**

**Alternate Road Proposal:** Frank said asked the Board what it felt its position on the proposal should be.

Rick said that there are two basic proposals regarding the Park: 1) a single, high-speed road or 2) several relatively unimproved feeder roads through the subdivision. He feels that one road, guard-railed, monitored and maintained, is safer than several high-speed roads. He stated that experience has shown that paving a road results in speeding. He suggested surveying the number of houses and their distance from the easement on 14th, 15th, and 16th to minimize impact to landowners, and expanding the easement to thirty feet rather than condemning properties.

Bill asked why 15th, instead of Railroad or Beach? Gerard responded that Railroad is too narrow, and would require expanding another 80 feet. Beach Rd. is in the tsunami zone, and therefore does not qualify for federal funding. He said Chris Yuen, the Planning Director, has suggested putting a road behind the lots between 15th and 16th, taking 50 feet from both sides.

Barney said the plan to put a highway through the Park is deplorable. The situation is volatile, and he is not ready to vote on a specific proposal without determining the feelings of the people in his district.

Barbara said that Townscape has asked for input on the proposal by April 25. She suggested adding the ideas from the old Master Plan into the mix to be considered, as well as polling people or holding a meeting within the Park to ask residents to look at the proposals, especially concerning the question of whether traffic will go through the subdivision or around it.

Erhard said he believes traffic from outside the subdivision should not be routed through, but feeder roads are needed for residents of HPP to get access to Hilo without using Highway 130, "reducing traffic on the highway by 5,000 or so." He suggested that Railroad be extended through Shipman property and Shower be extended to 10<sup>th</sup> Ave. Gerard said the Board cannot make the decision; the State and County will decide where the road goes.

**County Master Plan:** Allan said this is not the Board's fight, since it is "not our plan, proposal, or money", and the Board has no control over the issue. He suggested reconstituting the community Master Plan Committee to consider any alternative proposals and assess how the County's proposals fit with the community's plan. This group would remain constant, while the Board changes every year.

Bobbie Alicen asked the Board to support their constituents' grassroots movement.

Barbara said the Board would be remiss not to acknowledge the past work put into the Community Master Plan, which is the only functioning plan the Association has. She suggested asking the County to designate Hawaiian Paradise Park as a special planning district within the plan and asking old members of the committee to be part of a new committee to address the issue.

**Allan Deehr moved to convene within sixty days a Master Plan Review Committee composed of any former members who are willing to serve and at least two Board**

**members, with the specific charge to report to the Board of Directors whether specific proposals "meet, destroy, or complement" the current Master Plan, and if necessary to update the plan to accommodate community growth. Barbara Kahn-Langer seconded; the motion passed unanimously.**

Barbara, Gerard and Erhard volunteered to be on the committee. Frank said the previous co-chairs were Gary Jung and John Luchau. He asked the three volunteers to elect a chairperson and contact the previous members.

Bobbie Alicen offered to participate. Frank said John Gapp would be interested, also.

**Malamalama School:** Allan and Barney composed the committee to review the school's lease, which is up for renewal June 1. The school currently pays the Association \$1 per student per year and voluntarily pays five times the road assessment fee. They are also being required to install a new septic tank at a cost of \$25,000, which Allan noted they do not have and which will be a significant improvement to the property.

Allan said he and Bobbi made an on-site visit to the school and he reviewed their tax forms. He said the tax information shows that although tuition costs are high--\$4400 per student, plus fees--the school has a cash reserve of only .003 percent of its current income. Sixty-six percent of the income goes to salary and 2.6 percent goes to a building fund; the school is planning to build a new auditorium.

Barney suggested that new buildings on the property be required to meet State school building codes.

Based on these figures, Allan suggested keeping the lease agreement at \$1 per student per year. However, since the school is using only ten of the twenty-acre parcel, he proposed that the Board ask the school to return the other ten acres, which could be used for other purposes.

Malamalama has asked that this land not be leased to a rival school. The school has also requested that the required scholarships be limited to children of property owners residing in the Park.

Allan also strongly suggested reducing the negotiation period from ten to five years, so that the lease agreement could be reviewed again in 2010.

**Barbara Kahn-Langer moved to authorize Allan Deehr to negotiate a lease agreement with Malamalama School. Rick Frazier seconded; the motion passed unanimously.**

Allan said he would bring the lease to the Board for final approval.

#### **New Business**

**Hawaii Employer's Council:** The Board can acquire the human resource services of this Council at an initial one-time cost of \$500 and an additional annual fee of \$1000.

**Bill Carlson recommended that the Board acquire the services of the Hawaii**

**Employer's Council. Allan Deehr seconded; the motion passed unanimously.**

**Oceanic Warner Cable: Barney Sheffield moved to accept the proposal by Oceanic Warner Cable Company to install a twenty foot by twenty foot enclosure on the HPPOA property at 16th and Maku`u. Gerard Silva seconded the motion, which passed unanimously.**

**Allan Deehr amended the motion to provide that the President of the Board of Directors and the General Manager be authorized to determine the proposed site. Erhard Autrata seconded; the amendment passed unanimously.**

**Allan Deehr further amended the motion to provide that the President of the Board of Directors and the General Manager be authorized to work out specific details of the reciprocal agreement consistent with the restrictions of the deed. Barbara Kahn-Langer seconded; the amendment passed unanimously.**

Bobbi asked Skip Tavares to e-mail her the specifics of the needs of the site.

**Budgets Proposal:** Allan presented the Board with proposals for the Roads and Non-Roads budgets for the upcoming fiscal year. He estimated the carry-over to be approximately \$250,000 at the present time, which he proposed adding to the paving funds.

The grader will be paid off as of November, so that budget item was reduced by \$41,000 from the previous year. The budget includes \$20,000 for the purchase of a new truck, and \$8500 for printing of ballots, etc., an item which was overlooked in the previous budget. Other changes include paying the property tax from the Activity Center account rather than the Roads monies.

The Non-Roads budget is based on a transfer of 3 percent from the assessed road fees. Allan proposed upgrading the kitchen to a licensed commercial kitchen. The Activity Center roof and gutters are being repaired and replaced. Also, the budget allocates \$19,245 for improvements to the buildings or grounds.

Rick suggested hiring at least one additional employee on the road crew to meet the objective of maintaining the roads in good condition, and providing for that in the budget. Allan agreed that it would be beneficial to hire someone to deal with trash, signs, and potholes. He said he would amend the budget, if approved, and submit the final proposal on July 1.

**Rick Frazier moved to accept the proposed budget with a proviso that Allan Deehr review the potential for hiring additional employees. Barney Sheffield seconded; the motion passed unanimously.**

Allan stated that approximately \$46,000 is available for the remainder of the fiscal year.

Rick suggested adding materials to the roads now to reduce time spent on the grader. Frank thanked Allan for his work in researching the financial standing of the Association. **Mark Cook's Resignation:** Frank read a letter from Mark Cook, resigning as secretary of the Board effective March 31. Frank said the letter does not state whether Mark is resigning from the Board as well.

**Barney Sheffield moved to table accepting Mark Cook's resignation from the Board for one month, until the members have had a chance to discuss it with him. Allan Deehr seconded; the motion passed unanimously.**

Barbara asked that a letter of thanks be sent to Mark upon acceptance of his resignation. Allan said that if the Board appoints a director to take his place, it reduces that person's term of office. Frank suggested discussing this policy at the general membership meeting in June.

**Other:** Rick said that in February the Board approved the drywells and paving on 28th, but it has not happened. Gerard said Yamada & Sons has been busy; it will happen before the end of the fiscal year. Allan said he had asked them to redo the contract. Rick also asked how many people were asked to submit bids on the shoulder maintenance proposal? He suggested putting a public notice in the paper. Frank said he would ask Bobbi to do this.

Rick said he has sold his property in the Park and must resign from the Board.

**Barney Sheffield moved to accept Rick Frazier's resignation from the Board of Directors; Allan Deehr seconded. The motion passed unanimously.**

Barbara asked the policy for filling vacant positions and suggested posting a notice that the Board will interview candidates or hold a special election to open it up to anyone who might be interested. Frank said the Bylaws stipulate that vacancies are to be filled by appointment by the Board. Doug Hough suggested putting information on the ballot. Frank said it may be too late, as the ballots have already gone to the printer. Allan suggested waiting until the first meeting in July to fill the vacancies. Allan also stated that he attended the Planning Commission hearing on the Vurich's special use permit application. They asked for a continuance, which was granted. Allan wants the Board to go on record as opposed to the permit until the conditions of the previous permit are met.

**Adjournment: Allan Deehr moved to adjourn; Barbara Kahn-Langer seconded. The motion passed unanimously.**

The meeting was adjourned at 9:31 p.m.

Respectfully submitted by:

Kirstie Goin, Recording Secretary

Mark Cook, Corporate Secretary

**Motions Log 4-13-05**

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