

**Hawaiian Paradise Park Owners Association
Approved Minutes of the Board of Directors Meeting
May 11, 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; Barney Sheffield, Barbara Kahn-Langer, Bill Carlson, and Erhard Autrata.

Guests: Floyd and Marlene Lundquist, Ben Meade, Lloyd Cabral, Gary Safarik and Skip Bethea.

Owner Input: There was no owner input.

Approval of Minutes: Erhard said he does not want any crossroad through the Park, and he supports extending Shower Dr. only to 10th Ave.

Erhard Autrata moved to correct the minutes of April 13, 2005, by deleting the sentence, "He proposed 10th Ave. as a main crossroad through the Park." Allan Deehr seconded; the motion passed unanimously. The minutes were approved as corrected.

Treasurer's Report: Allan Deehr reported the balance of primary accounts as of the end of April:

Road Savings	\$812,458
Roads Investments	\$700,000
Roads Checking	\$ 28,569
Non-Roads Checking	\$ 31,646
Activity Center Reserve	\$ 36,271
Restricted Reserve	\$ 20,391
Coqui Eradication	<u>\$ 33,272</u>
TOTAL	\$1,663,552

The monthly income for April was \$86,373; the monthly expenses were \$55,612. \$937,120 (79 percent) of the road fees billed for 2005 have been collected, and \$700,000 of that money has been invested in CD's to accrue dividends and to insure that it is not spent before the onset of the new fiscal year.

Ted Hong has been retained as legal counsel to prosecute foreclosure actions against the ten properties with the largest delinquencies. All ten property owners have been sent a letter advising that if payment is not made by June 1, the foreclosure action will proceed.

Barbara Kahn-Langer moved to accept the Treasurer's report as presented; Barney Sheffield seconded. The motion passed unanimously.

Bobbi stated that a recent payment has been made through the Coqui account, reducing the total as given in Allan's report.

Special Reports

General Manager's Report: Bobbi reported that she and Frank looked at potential sites for Oceanic Warner's hub; the chosen site has been staked out. It will be accessed through a gate off 17th Ave. and will be registered as an easement to the property. She is still negotiating the reciprocal agreement.

Barbara said the Board needs a contract with the company, and she wants to review the contract before it is signed. Any equipment gifted as part of the agreement should include maintenance and upgrade services.

Barbara Kahn-Langer moved that the Board review and approve the contract with Oceanic Warner before it is signed. Allan Deehr seconded; the motion passed unanimously.

HPPOA has joined Hawaii Employer's Council.

The ads for bids for rolling and grading, grader operator, and shoulder maintenance received no response; she will run them again.

Bobbi hired a temporary employee through Altres. He will be trained to run the roller so that Clyde can run the grader.

She spoke with Bruce McClure in Public Works regarding the letter notifying new lot owners that the Association no longer allows driveways onto main roads. He said Public Works has no authority on private roads and will not distribute the information with the building permit packets. Gerard offered to ask Bruce for alternatives.

Bobbi said there are other methods of informing new lot owners of the policy, such as checking regularly for properties which are changing ownership.

Barbara suggested asking real estate brokers to distribute a copy of the letter. Barney mentioned escrow companies, also. Gerard said owners could be asked to sign that they have received the letter from the escrow company. Bill suggested writing a letter to the editor, which he said always receives response.

The Planning Director recommended approving the Vurich's special use permit with conditions; a copy of the determination will be sent to the Manager. She said the policy of the Commission is that permits are issued for five years; if the conditions are not met within that time period, they will not be renewed.

The Activity Center will be power-washed starting May 18.

Barney asked who is responsible for picking up garbage before the easements are mowed.

Bobbi said the road crew removes garbage when they are notified; the mowers will be told to have trash removed prior to mowing an easement.

Frank said the Neighborhood Watch is sponsoring a clean-up on May 25.

Coqui Report: JoAnne Backman reported that the last meeting was held May 10. The account now totals \$22,312 and has been reconciled for the month. A 300-gallon sprayer was built and tested; design modifications need to be made and procedures and disclaimers must be developed before the equipment is made available to residents.

Hydrated lime was approved by the State Legislature for coqui control.

Allan said the Board should review the disclaimer before it is distributed.

The next Coqui Squad meeting will be June 14.

Unfinished Business

HB 1214/SB 935: Frank said the efforts of the Board paid off and the bills were not approved by the State Legislature.

District Improvement Project: Gary Safarik presented an overview of the plan, which has been discussed for several years and actively pursued for the past year. He is faced with having to present the plan to each department head for acceptance. Public Works objected to floating a public bond for improvements on private property. Corporation Counsel responded that it can be done legally. However, the resources of the County are stretched across the island, so it is challenging to ask the County to dedicate resources to the improvement district.

Since private subdivisions are being taxed twice, with both property taxes and road maintenance fees, Safarik is also exploring tax increment financing. This would allow the Council to set a parameter, and monies above that parameter would be used for improvements within the district from which they were taxed. He said this could augment the improvement district project, although it may be difficult to convince the Council to give up its tax base.

Safarik said that although the alternate access road will not come through the Park, an access road is needed. Erhard said a road from the Park to Hilo is needed, but lower Puna should use Highway 130. Another set of public meetings is being held.

He said that a volunteer fire department at the Ainaloa Longhouse is under consideration. Also, federal monies, probably in partnership with the Trust for Public Land, will be used to purchase 1000 acres of native rainforest from the Campbell estate abutting the forest reserve mauka of Pahoehoe. This reserve will be open for public use and will protect the forest and the aquifer it feeds.

Skip Bethea summarized the history of the improvement project. He said initially they explored the possibility of HPPOA floating their own bond, but this was problematic because it required a blanket lien process. Then they looked at geo bonds, which have the lowest interest rates because the County has an obligation to pay them and they can be combined with federal funds. These could not be used because 40-foot roads could not be dedicated to the County, and public money cannot be used to make private improvement.

The solution they reached was to use special improvement district funds, which have a higher interest rate because the County has no obligation to repay the loan. This can be done if the project serves a public purpose, and will allow the Association to continue paving to Park standards and not dedicate the roads to the County. Meanwhile, they are exploring tax increment financing to augment improvement district funds.

Safarik said that he and Skip will meet with legal counsel and the treasury component who will issue the bond in early June to devise an action plan which will then be presented to the Board.

Allan asked whether a motion by Walter Moie approved by the Board in March, 2002, requesting Safarik to introduce a bill establishing Hawaiian Paradise Park as an improvement district would benefit or impede the current process if not rescinded.

Marlene Lundquist said she went with Moie when he presented the resolution to the Council, and Councilman Arakaki said that it included too large an area. He would agree

to it only if it made a portion of HPP an improvement district. Safarik the old motion and resolution do not affect the current process.

The Councilman suggested that the Board entertain a resolution or give him a letter requesting enforcement of Hawaii Revised Statutes within the Park. This would allow police to cite speeders and other violations on the private roadways.

Master Plan Review: Barbara reported that she has contacted previous committee members, who have indicated that for the most part they are not interested in becoming involved in a long, drawn-out process. She requested a clear direction from the Board as to what exactly the committee is asked to do and that no individual member may act on behalf of the committee, but that all action must come from the Board.

Allan said the motion's purpose was to determine whether specific proposals might meet, destroy or complement the Master Plan and whether the Plan needs updated to accommodate community growth. Gerard said the committee's purpose is to review the Plan for needed changes, but basically to use the existing Plan.

Bobbi said that the Association's property and the commercial property on Kaloli have been designated light industrial by the County, in contradiction to the Master Plan.

Gerard said the Council is asking for input before the County's General Plan is finalized.

Frank said the County is still in the initial process, so there is time for the Association to recommend changes. He suggested that Bobbi sit in on the meetings.

Malamalama School: Allan reported that the Malamalama Board is putting together a negotiating team; he should have an answer in June on their lease determination.

New Business

Mark Cook's Resignation: Frank recommended that the Board accept Mark's resignation as Secretary and allow his term to run out.

Barbara Kahn-Langer moved to accept Mark Cook's resignation as Secretary and allow his term to run out; Gerard Silva seconded. The motion passed unanimously.

Allan Deehr nominated Barbara Kahn-Langer for Secretary; Barney Sheffield seconded. Allan Deehr moved that nominations be closed; Gerard Silva seconded. Both motions passed unanimously.

Abandoned Cars: Frank spoke to Clyde about the cars which have been tagged since January 1 but have not been removed. He said there is only one person dealing with abandoned cars for the County for the entire island. Frank suggested authorizing Morgan to call several contractors immediately and have the vehicles removed at the least expense. Barbara suggested billing the costs to the owners of the vehicles. Bobbi and Gerard agreed ownership can be difficult to ascertain.

Barbara Kahn-Langer moved to authorize Morgan Sky to receive bids from towing companies and have the company with the lowest bid remove all the abandoned vehicles which have been tagged as soon as possible. Barney Sheffield seconded; the motion passed unanimously.

Allan said although that line item is already over budget, he still supports the motion.

Rick Frazier's Vacancy: Allan reviewed the Bylaws regarding the vacancy, which will not be filled by reelection until 2007. Therefore, the person appointed would have to run for election in June, 2006, for a one-year term. The question arises whether, according to the Bylaws, that person has served two terms or the one elected term. Article VIII, Section 5 (m) states in part that "a term shall begin at a meeting of the Board called immediately following the membership meeting at which the election results are announced." Section 5 (l) reads, "A Director may hold office for more than one term, but not more than two consecutive terms including partial consecutive terms." Therefore, he feels that if the Board appoints a director to fill Rick's vacancy, this would constitute a partial term. The elected one-year term would be the second consecutive partial term. Bobbi asked if it would make any difference if the second partial term were in a different district. Allan said no, it would not matter. Gerard said this restriction should not apply to appointees.

Barbara asked how vacancies are usually filled. Frank responded that a director is appointed by the Board.

Allan Deehr moved that the General Manager announce on the website and in any and all publicity concerning the June Membership meeting that the Board is seeking to fill the vacancy created by the resignation of Rick Frazier from District 1. Anyone interested in filling the position should notify the Association office at least ten days before the General Membership meeting; interviews will be conducted before the meeting. Barbara Kahn-Langer seconded; the motion passed unanimously.

Adjournment: The meeting adjourned at 8:57 p.m.

Respectfully submitted by:

Kirstie Goin, Recording Secretary

Barbara Kahn-Langer, Corporate Secretary

Motions Log 5-11-05

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