

**Orchidland Community Association, Inc.**  
**Approved Minutes of the General Membership Meeting**  
**April 24, 2010**

**Call to Order:** The meeting was called to order at 9:20 a.m. by Roger Hawney.

**Directors Present:** Roger Hawney, President; Jerry Gardner, Vice President; Ralph Boyea, Secretary; Fred McConnell, Treasurer; Dennis McCartin, Road Chair; and D’Artagnan Josephson, interim Director.

**Members Present:** Yen Chin, Rich Elly, Kirstie Goin, Patti and John Cline, Shirley Mendoza Josephson, Ian Brown, Douglas Anderson, Dale Dinsmore, Bo Rodehn, Alan Renaud, Bill Lupton, Wes Owens, Sharon Landry, Janet Mochizuki, Karen Doom, Derek Shimizu, Stephen Kling, Sherri Carden, and Pansy Lindo-Moulds.

**Opening Remarks**

**President’s Comments:** Roger requested everyone to exhibit common courtesy and respect for one another, since we are all here because we care about our community. He said that the two most important items on the agenda are approval of next year’s budget and nominations for Directors on the Board.

**Ballot Results:** Roger thanked everyone who attended last November’s membership meeting. “A lot of business was covered in that meeting.” The ballot results are:

|   |                                   |        |
|---|-----------------------------------|--------|
| Raise MRMA’s from \$85 to \$125           | 89 for, 152 opposed, 4 non-votes  | failed |
| \$100 paving assessment:10%for existing   | 103 for, 140 opposed, 2 non-votes | failed |
| \$20 Community Lot assessment             | 107 for, 134 opposed, 4 non-votes | failed |
| Legal fund interest goes to Lot fund      | 182 for, 61 opposed, 2 non-votes  | passed |
| Bylaws: <i>[all passed]</i>               |                                   |        |
| Article III, Sect. 1, line 3              | 216 for, 25 opposed, 4 non-votes  | passed |
| Article IV, paragraph 1                   | 222 for, 15 opposed, 8 non-votes  | passed |
| Article IV, paragraph 2                   | 223 for, 18 opposed, 4 non-votes  | passed |
| Article VII, Section 8                    | 227 for, 12 opposed, 6 non-votes  | passed |
| Article XIV, Disputes <i>[new]</i>        | 212 for, 31 opposed, 2 non-votes  | passed |
| Settlement proposal <i>[Sung lawsuit]</i> | 157 for, 23 opposed, 65 non-votes | passed |

**Fuel Tax Revenue:** Proposal 321-10 has been introduced before the County Council, and if passed, will be the “first time ever we will be getting funds from any government entity for our roads.” Gasoline tax paid at the pump goes to the State, and a portion is distributed to the counties. Each councilperson determines how the funds are dispersed within his district. The proposal would allow private subdivisions to request and receive funds from the fuel tax revenues.

Roger said that Warren Lee, Director of Public Works, admitted in a County Council meeting that the County of Hawaii files for federal funds for road maintenance based on miles of road, including the private roads.

Friends of Puna’s Future, which supports the fuel tax revenue proposal, is working to give Puna a unified voice in an effort to receive fair distribution of funds and services to our district.

**Policies and Procedures:** Three policies have been posted for several months on the Association website for community input before they are approved by the Board of Directors. They are:

- a) Adoption of Policies and Procedures Policy
- b) Conflict of Interest Policy
- c) Collections Policy

**Nominations to Board of Directors:** There has not been a full Board of 11 directors for several years. The current Board has only six members, and 6 are needed for a quorum. Roger said all the current directors except himself joined the Board to make a quorum.

**Ian Brown nominated Derek Shimuzu to the Board of Directors. Derek accepted. Alan Renaud nominated Sharon Landry to the Board of Directors. Sharon accepted.**

**Sharon Landry nominated Rick Turner to the Board of Directors. He was not present to accept.**

**Janet Mochizuki nominated Bill Lupton to the Board of Directors. Bill accepted.**

**Approval of Minutes: The minutes of November 21, 2009, were approved unanimously by acclamation.**

**Treasurer's Report:** Roger thanked Fred for his considerable effort in establishing separate bank accounts for the various OLCA funds. Fred reported that the balance sheets are now balanced "to the penny," and the audit review has been completed.

**RMC Report:** Dennis reported that he has used purchase orders to track where we are spending money, including materials for volunteer workparties. A major project under construction is the washout at 39<sup>th</sup> and Pohaku. The new chipseal at 36<sup>th</sup> and Orchidland, donated by Kyle Pua as an example of his work, is breaking down already; that area and the realignment at 37<sup>th</sup> and Pohaku will be paved with asphalt soon. Another priority is the problem area on 35<sup>th</sup> between Pohaku Place and Laniuma. The Board is considering what is needed there, how to deal with the drainage problem, and the cost. The repair has been estimated at \$18,000 to \$20,000. The side roads have received gravel and cinders for volunteer work projects and sledding to recover materials and crown the roads. The sled does not work well on roads which have no materials, like 34<sup>th</sup> and 35<sup>th</sup>, which were skipped in the last maintenance rotation. About \$4,800 of large cinder was put on the dead end of 34<sup>th</sup>, "which is a lot more passable now." The next paving increment is Ilima, but there is not enough money in the paving fund to address that yet. The main roads have received \$22,400 worth of maintenance, with another \$3000 work remaining, in addition to the \$20-30,000 allocated for Pohaku and 39<sup>th</sup>. Almost \$26,000 has been spent on side roads. "Now that we have an accurate accounting of how much is available from prior years' savings, we can get a lot more work done." There are five more block parties scheduled, and the sledding will continue.

**Budget:** Fred said that the budget published in the March letter was used as a starting point for revisions at the April Board meeting. The revised version is in QuickBooks for

the first time ever, so all reporting will come from one source; in the past it was reported from a spread sheet.

Jerry said the Board often hears complaints that “nothing has been done on my road for years,” and asked that labor, equipment and materials expenses be entered in QuickBooks by road or area for documentation. Dennis said he does already track where material goes, but he could develop a code to track road expenses block by block in QuickBooks.

Karen said her records also document which areas receive work and materials.

Janet Mochizuki said that the legal expense for placing liens should be included under lien expenses, not legal/professional fees. Roger explained that legal fees cover all legal expenses, including the insurance deductible in case of lawsuits. The legal defense fund is a separate fund, and cannot be used until “after an amount equal to the insurance deductible is used up.”

Janet suggested an annual administrative fee of \$20 to pay for administrative expenses.

Ian Brown said this is very similar to the proposed increase which failed, and would undermine that vote. Wes said it is possible that the amount actually collected might not cover actual administrative expenses. Roger added that a court judgment allows us to collect road maintenance fees for road maintenance “and the administration thereof.

These fees are very enforceable, especially in light of the recent Murakami case.”

**Janet Mochizuki moved to charge an annual \$20 administrative fee separate from the road fees (MRMA’s). Doug Anderson seconded. The motion failed by a vote of 2 for, 28 opposed.**

**Fred McConnell moved to change budget line item 60-62 “Legal Fees” to “Legal Fees, general.” Doug Anderson seconded. The motion passed by a vote of 26 for, 0 opposed.**

Derek Shimizu asked the Association’s stand on uncollected fees. Roger said that we have only 62% compliance, and the court has instructed us as to the proper procedure for collections. As soon as the Collections Policy and Procedure is approved, the Board can move forward on this, beginning with a friendly letter and proceeding in sequence to a final attachment of liens. Placing liens is now much more expensive, because a court determination of the amount owed is required before a lien can be placed. Our attorney has suggested that it may be possible to have a signed agreement with the lot owner that OLCA’s fees will be paid upon sale or transfer of the property, with a copy sent to the Bureau of Conveyances, so that a lien does not necessary to recover our fees.

Ian Brown suggested that owners would be more willing to pay their fees if we divided the money allocated for side road maintenance evenly among all the side roads, so that “everyone gets an equal amount of work every year.” This would have a cumulative effect, because if no maintenance happens for several years, we lose what we have through neglect. Fred said we need to work on the worst areas first.

Ian said that the equipment storage is a wasted expense. Roger agreed that we have a lot of old equipment, which is not working well, except for the Kubota tractor. A liquidation process could lower or eliminate storage fees and equipment maintenance costs. Ian said that the equipment could be stored on the Community Lot and proposed that we liquidate unusable equipment.

Gary Dalton, Road Manager, said that it is his job to determine which areas need repair. Some areas are in good repair; others have no materials or have received no maintenance.

Kirstie Goin asked why the Board is requesting \$61,000 for the administrative fund budget, since not nearly that much has been spent this year. Fred responded that this includes possible rate increases for some of the Association's contractors. Roger said the Board will evaluate each person's performance to make this determination. Also liens have a substantial increase because of increased legal costs to place them.

Doug Anderson said that although line items are approved, the money does not have to be spent. Corrections and adjustments can be made as needed, to be reflected in next year's budget.

**Yen Chin moved to approve the 2010-2011 budget as amended. Wes Owens seconded. The motion passed by a vote of 27 for, 0 opposed.**

**Derek Shimizu moved to increase the mandatory road maintenance assessment (MRMA) to \$95. Sherri Carden seconded. The motion failed by a vote of 5 for, 18 opposed.**

**Dale Dinsmore moved to assess a \$100 paving fee. Ian Brown seconded. Fred McConnell suggested a friendly amendment to reduce the amount to \$75, which was accepted. The amendment passed by a vote of 17 for, 8 opposed. The motion as amended passed by a vote of 20 for, 3 opposed.**

**Ralph Boyea moved to allow up to 10 percent of all paving funds collected after June 30, 2010, to be used for maintenance of existing paved roads. Fred McConnell seconded. The motion passed by a vote of 27 for, 0 opposed.**

*[A recess was called at 12:10 p.m. The meeting reconvened at 12:15 p.m. with 17 members and 6 directors present.]*

**Community Lot:** Sharon Landry reported that the Planning Committee has met since January to review old information and come up with plans for the Community Lot. It is working to secure funding for development of the lot. Pepsi Refresh is offering grants up to \$250,000 to the proposal which receives the most votes over the internet, and last month's \$250,000 winner was a community association on the Mainland, to build a community center. We plan to submit a proposal to Pepsi Refresh in the next few months. Every person can vote once a day for the entire month that the proposal is posted on the site, but only one person may vote per email address. Roger said that if a proposal is accepted, we will notify lot owners through the newsletter. Doug suggested that the newsletter article request email addresses, so that reminders can be sent. Sharon asked whether our phone tree can be used for this, also. Roger said that is not the purpose of the emergency phone tree or the agreement under which the phone numbers were given.

Sharon said we are also researching other grant opportunities. Because we are a 501 (c) 4 non-profit association, we do not qualify for most federal grants and must have a 501 (c) 3 non-profit to umbrella us to apply.

Sharon said she would also like to put collections jars for donations for the Community Lot in all the commercial businesses on Orchidland Dr. Roger said that once he is no longer president, he will have time to resume the monthly Burgers and Bluegrass musical fund raisers on the lot.

Ian said he installs commercial greenhouses. They are large, open-air structures that could possibly be adapted for use as a community meeting space.

**Bylaws:** Roger said that OLCA is not a planned community association, and to become a planned community association, every lot owner would have to agree. The proposed amendment to Article I received a second reading, as follows: Change Name and Purpose to Name, *Description* and Purpose. Name is Section 1, **Description** becomes Section 2, and Purpose becomes **Section 3**. Wording of **Section 2, Description**— *Orchidland Community Association is a 501 (c) 4 non-profit corporation, and is not a planned community association and does not fall under the jurisdiction of Hawaii Revised Statutes Section 421J, or any other statute pertaining to “planned” community associations or common interest developments.*

**Doug Anderson moved to accept the amendment to Bylaws Article I as read. Derek Shimizu seconded. The motion passed by a vote of 28 for, 0 opposed.**

Article III, Section 2. Voting Rights. Members shall be entitled to one vote *for each lot owned* at all membership meetings or by mail-in ballot. In the case of more than one owner *per lot* (on the title), only one vote shall be cast *per lot*.

**Doug Anderson moved to accept Article III, Section 2 as read. Dale Dinsmore seconded. The motion was tabled because a quorum was no longer present.**

**Adjournment:** The meeting was adjourned at 1 p.m. because a quorum of the membership was no longer present.

Respectfully submitted by:

Kirstie Goin, Recording Secretary

Ralph Boyea, Corporate Secretary

**Motions Log 4-24-10**

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