

**FACA Board of Directors – Special Meeting
Minutes June 16, 2026**

Members Present: Patti Pinto, Julia, Hank Schultz, Cristi Fields, Felix DeLa Cruz, Laila Moire- Salvage, Richard Walsh, Claudia Zirolì.

Members Absent: Mark Laret with permission.

CTO: 06:05 pm

Discussion regarding Ditas Fleck's letter requesting Hank Schultz and Claudia to resign from the Board of Directors. Patti asks that Hank submit his rebuttal letter to the Secretary for the record. Hank will present his letter on Saturday for the record, as will Claudia.

[Discussion] Laila asks if we didn't divulge the relationship between Patti and Claudia? As it pertains to Puna Makaukau - We are not required to release Puna Makaukau's financials to the public.

As for the 990 issues declaration, whoever prepared the 990 cited in the recent letters made an error?

Laila states that we do need to make a public statement stating that we are working on our financials, office-related things, such as unpaid bills, who has paid what, and preparing for the 2023 financial review.

Hank spoke with Vivian last week regarding the MRMA budget. Vivian said we have 900 invoices to go out.

What are the current bids that we have received for paving 2026? Hank: The current bids for paving range in the high \$300,000.00. Hank contacted Willocks to let them know we are not able to accept the bid right now, but as we collect more MRMA money, we can get about 1.7 miles of roads paved.

Hank asked Vivian about the MRMA balance - Vivian told Hank we have \$248,000.00 in the budget right now.

Julia wants to return to the discussion of the budget to clarify our/Board oversight with Maria. It was the President's (JR Paikuli) role to do the oversight as discussed and directed by the Board. How do we set policy going forward?

Patti suggests that we should have a minimum of two officers - President and Treasurer, to meet monthly with the office staff to review accounting, bank statements, transactions and office-related issues. Perhaps also meet with the Road Committee on a monthly basis.

Julia explains the recent change in policy regarding the oversight of the Road Crew by the Office Manager and works comments that he, Albert Santiago (Road Manager) to determine what work needs to be done.

Richard comments that he has had concerns about who had oversight and access to our financials, QuickBooks etc. in the past. When he asked JR, he said that he was the one should be doing oversight... If we change policy to require the monthly meetings with office staff and officers (President and Treasurer), it'll address the problem. NO FACA-related materials/financials should ever go off site.

Roads: Hank says he is still very concerned about Board oversight. He spoke with Vivian about the payment of the FACA insurance from MRMA's funds without any Board awareness or knowledge.

Julia said she never called it a loan, but we are using MRMA funds to cover bills until we can get FACA accounts under control. Cristi says we are still trying to find a fix all the things that were done in the past.

Patti asks Julie, How long have we had access to our QuickBooks? Perhaps four weeks? We didn't have access before that.

Hank responds that we are doing what we are being charged without transparency. He argues that a payment of that size coming out of MRMA should have been discussed and approved by the Board. Patti, Julia and Cristi all state that we have always done it that way- we only have the one bank account for those kinds of payments/bills. When we reconcile the books at the end of the month, FACA 'pays' their percentage of those bills to MRMA.

Discussion goes back and forth. He maintains that the Board should have the decision-making and oversight control. Hank argues that we aren't having Board approval (as we have in the past) for the use of MRMA accounts for expenses beyond the 90/10 split. When money is taken from MRMA for other uses.. The Board should have input and oversight with these payments. Hank is concerned that with the money is coming out of MRMA, we won't be able to do our roads. We will be blamed for mismanaging the funds/can't get the paving done.

Julia says there are 4 people reviewing the financials. (Patti, Cristi, Julia, Vivian) All checks are being deposited..

Felix asks if we are doing what we have done in the past? Do we actually know where the money is being attributed to in QuickBooks and PayPal?

Patti clarifies that all the bills are paid from one account (MRMA) every few months; those payments are adjusted and attributed to the correct accounts. It is all tracked in QuickBooks, which is currently being reorganized by Vivian and Julia.

Julia says QB is a huge mess. There are still accounts that haven't been closed out, and we are still working towards clarity. She hopes to have the current (old) QB account and the new QB account will be the corrected and functional account, as well as PayPal.

[Discussion]

Cristi calls out that we are missing many invoices and receipts for cash transactions as had been done in the past. Hank responds, reiterating his point.

Julia asks if anyone has even read the report she did last month with the bank reviews, QuickBooks hassles, PayPal and getting the mess sorted out. We have been working to get things fixed and cleared. Then we take the 10% FACA owes each month and then transfers it to the MRMA account.

{Discussion}

Richard: Where has this money gone? Where is the paper trail for the tractors/ Tree work/Equipment and cash transactions etc. That's what we need to know.

We don't have proof of where the money went and for what, with invoices and paid receipts?

Cristi: People are not paying their fees because they don't trust the current Board to manage the funds. We really need to get this under control and restore the confidence of the community.

Everything is more expensive than it was last year... It'll take months to get the mess sorted. No liens have been placed this year.

It seems like there is a lot of money unaccounted for.. Is it in the accounts? Is it missing physically? That is being investigated...

Why weren't some of these problems solved? Why wasn't something done about it then? We did talk about it at some length... We made the best decisions based on what reports we had each month and assurances that we were up to date.

Julia says when you look at Maria's payments to herself and other payroll issues- we can't account for that money.

Julia: No liens have been filed since 2018. \$11,600.00 was not found in the payrolls.

Julia makes the charge that Roy has claimed a large sum for the excavator tractor, and that Roy prepared the 990 on Maria's behalf. Maria perhaps has been doing an unprofessional job since the beginning. Summary of oversight and policy changes...

We NEED to get this out to the public. Let them know that we are providing the necessary oversight and getting things under our control. As we move forward, we have to start doing the right thing.

Richard would like to ask Ditas to get off our backs for at least six months and give us the space to get the work done. People are really happy to see all the information that Julia and Laila have been posting on Facebook. We can do more- but we really need a statement out there.

Does the Board have a problem with Richard contacting Ditas Fleck to please back away from this onslaught... He'll reach out to her tomorrow. Laila motions that we agree to have Richard calm down with the witch hunt for six months or more to give us some working room. All in favor, Passed.

Hank appreciates Julia's hard work. He just feels that the Board should have had the approval to pay that huge insurance bill.

Julia: Road general liability insurance was \$36,000.00. Faca's commercial liability should be paid partly by each entity. In the books, it will be split. We had to pay it and get it paid immediately. It lapsed in November. We had \$7,000.00 go to collections. We had to get all that caught up.

Julia: \$500.00 went out every month to the Petty Cash card to pay Maria's HMSA insurance coverage. (She had turned down our offer of health coverage in order to get more money in her paycheck each month)

Cristi: Road Committee sets up the tarp structure. It is part of their contract. They should weedeat on the other lot for the picnic or other times, they keep track of their time and it is paid by FACA as an expense. Please put it on the Road Committee meeting on Wednesday.

The picnic committee met. No sodas will be purchased for this year's picnic, only ice tea.. Folks can bring water or sodas.

Julia: About George: Did he get permission to have a fourth of July Block Party on Anthurium (Gate to Plumeria) from the Board? There is insurance liability for us and George does not have his own homeowners' coverage. It would be held on the road... We don't have to cancel it, but we should make a statement that we have not approved it nor do we authorize blocking any of the roads for a block party event. (Police and flaggers must be provided for the end of the road.) All requests for such events must be made to the Road Committee and the Board. There should be no alcohol at any event.

Hank wants the Board to make a decision regarding Julia's reported phone conversation with that Thomas Yeh; stating that Roy did not have eligibility/ownership interest to serve as a member serving on the Road Committee...

Hank feels that it should be up to the Board – not the Road Committee - to remove him as a Road Committee member. Hank is asking the Board to make the decision to remove Roy Kalili from the Road Committee. Julia motions yes, Cristi seconds.

{Discussion}

Richard disagrees. Roy brings a lot of expertise and experience to the road effort.

{There is pretty strong disagreement in light of what we have learned in recent months.

It would be very conflicting to keep him on the Road Committee..} Laila said he was coming on pretty strong at the last meeting and was sort of bullying- he was also late. George had to call him to come.

Six members vote to remove him. Two abstain. Carried.

Hank says that there is a Road Committee meeting tomorrow (Wednesday) There are two members at large seats to fill. Larry Tollner and Daniel Cravalho have put in their names for the positions.

Richard may not be able to attend on Saturday with an illness in the immediate family. He'll let us know.

Any more business? Signs went up on the front board for the picnic, Kaukau for Keiki, Food Basket and ballots for the election.

Adjourn 07:40pm.