

Special Board Meeting — 08.11.2026

Attendees: Hank Shultz, Julia Mitchell, Claudia Zirolì, Laila Moire-Selvage, Jason Fleck, Felix De La Cruz, Cristi Fields, Richard Walsh

Started at: 6:05 PM | **Ended at:** 8:03 PM

1. Call to Order

- **Objectives:** Equipment restructuring, road fee collections, and addressing past administrative issues.

2. Staffing Updates

- **Bookkeeper:** Finalization of the previous bookkeeper's contract and introduction/update on the newly hired bookkeeper, Kathy. Kathy (Kit) is already entering QuickBooks info and has a lot of experience. Entering PayPal receipts manually.
- **Road Crew:** Staffing adjustments have been made. Interim maintenance plan utilizing the current crew with current functioning equipment.
- **Mower Status:** No functioning mowers at this time. Fixed mower stopped working for two days. Mower is still at Garden Exchange. Part already ordered will go into the better-condition mower. \$1700 to fix the really bad one; not worth it. Weed whacking and tractor at this time.
- **Health & Safety:** Employee workloads are being closely managed to prioritize health; taking care not to wear out the current crew.
- **New Mower Needs:** Residential mower; need a commercial mower. Mow an average of 4 to 6 miles a day. We have bid prices for commercial mowers from Bacon, Allied, and Farmers Supply. \$13,000 for a zero-turn 2025 Grasshopper 62" deck from Allied, and they work on them. Skagg is also a good brand. Steve Honda might have one. No need for a trailer; drive them from here.

3. Equipment Inventory, Sales & Acquisitions

- **Inventory Review:** Review the comprehensive equipment list compiled by the road crew and Chris. Road stripper to paint the ground was found. Finished list still in progress. Include serial numbers, location, etc. Asphalt saw was also found and is back in the container (cut square to patch holes to make them last longer).
- **Proposed Equipment Sales (Action Needed):**

- **Untitled long flat trailer** (requires securing title first): used to tow backhoe and derelict cars here. Can't be towed by either one of our trucks; no trailer brakes. Sell for \$13-15k. Neither trailer has any paperwork. Jason made a motion to sell the trailer; Hank seconded. Unanimous.
- **Totaled Chevy truck** (sell as-is/ Chris looking at total loss insurance claim with vandalism policy): Laila made a motion to get rid of the truck; Jason seconded. Unanimous.
- **Dump truck** (proposal to sell to Larry Hudson for \$250; check title status/value), but we keep the tank/all stuff on it: Jason motioned to sell; Hank seconded. Unanimous.
- **2 Toro mowers & heavy-duty walk-behind trimmer** bought ~10 years ago; \$2000 for both as a package deal, and trimmer probably around \$200-250. Laila made a motion; Jason seconded. Unanimous.
- **John Deere Tractor:** leaks when it's parked; used to carry compactors when patching – we will revisit; backup for the Kubota.
- **Scrap metal recycling for additional funds:** scrap metal place will give minimal price – we can ask the crew to take to metal recycling (pay for some things, and we might have to pay them for some items) or we pay someone to take all of it and pick up. Ask 2 companies in Shipman to quote us to come get this out of here.
- **Chip spreader:** too heavy for either of the tractors that we have now; we could try to sell this. Paid \$2,500 for it. No use for it unless we were going to cheap seal Rose or Gardenia. Donate to Hawaiian Acres.
- **Dodge:** needs a clutch and battery draw, so unplug the battery overnight. Need to tow trailer for cold patch; Rent a truck as needed while Dodge is getting fixed. We need to get on the waiting list ASAP and make an appointment; call around for an appointment (Kea'au mechanic, Patrick for electric and clutch; sign up as a business account?).
- **Proposed Repairs & Purchases (Action Needed):**
 - Propose using sale funds for current mowers to purchase one reliable commercial mower (\$8k–\$10k). Getting quotes; brought to the road committee and will come back to the Board on Saturday. Purchase mower outright ASAP, and replace the money with sales of old equipment.
 - Determine whether to weld or replace the Kubota tractor bucket (\$5k) for road drainage maintenance. Fixed on Saturday for \$300-\$500 (welded by Abraham). Farm tractor, not as heavy-duty as we need. New one is \$50k or more. Also has a transmission leak. Tires run out fast, not made for pavement.

4. Financial Update & Delinquency Strategy

- **Current Finances:** Review of current MRMA funds (\$269,893.92 in FACA accounts) and outstanding receivables (751 unpaid invoices just this past year). To survive, it would take \$75k in repairs and payroll, \$180k for paving, or wait until next year; Let's try to pave at least a half mile this year. Loughler: \$190k for 2600 feet. Willix was lower, but around \$150-160k for that part, \$297k for 1.5 miles. First block of Plumeria, first intersection (5000 feet) to pole 23.
- **Road Fee Collections Policy:** Discussion and approval of a formal 30-day warning policy before initiating liens or sending accounts to a local collections agency. Do a third mailing, with a threat of going to collections and/or liens. No liens since 2016. Let people know that this road fee comes off the property tax if you have a homeowner's exemption and are a Hawai'i resident (\$250). Sept. 30 is the deadline for the list to the County. Just quote the new law; be careful with our wording. People on payment plans with handshake deals? All payment deals are null and void unless approved by the board.
- **Executive Note:** Owner proposed to settle road debt; board accepted unanimously for \$3,000 cash payment.
- **Audit:** Discussion on the necessity and timeline for initiating an official financial audit. Patti talked to the new person at Carbonara; no clean audit for 2023. We have to do another audit until we are cleaner, which costs more than a certified review, so no choice but to audit. Acuity/Quote from them on this is starting at \$24k for 2023. We are more organized for 2023, so it should not cost too much more. Two companies on the island do nonprofit accounting (Silva, no response). 990 form for 2025 (only receipts before June) is coming up and is due November 15; filed an extension – what do we do? Kathy has never done a 990 but is willing to take a look at it. Jason suggested that we find someone to help us: a tax preparer service (national, online - nonprofit management). They would start in November for the 2023 audit. Laila made a motion; Jason seconded (need to look around for another company than Carbonara). Unanimous.

5. Operations & Infrastructure

- **Road Maintenance:** Discuss the timeline for road paving – shift focus to next year pending fee collections and equipment upgrades, or pave a small portion at the end of the year? Hold off on deciding until we collect more.
- **Fire Department:** roll-up door got dented by road crew; paperwork to show who owns it? We paid \$20k for the cement slab; the building was a grant. Commercial property insurance coverage? Claim will increase insurance rate. Quote from a door guy to fix it; cost would come from MRMA.
- **Drainage:** Strategy for clearing overgrown rock drains to prevent road flooding (Road Crew, tomorrow at 6 pm).

- **Security:** Proposal to install additional security cameras? Added one by the HUB, recording down the driveway. Add 2 more? Claudia has 2 more and can set them up. Need to add gate to another driveway; have everything but waiting on hole drilling: Jackhammer (Cristi has one on her excavator).

6. Governance, Bylaws & Communications

- **Bylaw Updates:** Timeline for rolling out 2026 revisions (immediate implementation for all on July 20; January 1 for membership changes). Ready to post/share; Patti to send to everyone, Laila to upload it.
- **Website Strategy:** Discuss plans for updating and managing fernacres.org. Laila can set up a Squarespace site with current information and train Chris. Jason can help. Updates could be calendar-based. Google Workspace for free with 501(c)(4); set up email @fernacres.org; need an online payment system.
- **Community Messaging:** Strategy for presenting past administrative and financial issues to the community transparently.

7. Executive Session

- **Account Recovery:** Update on timeline and procedures for unlocking ~\$32k.
- **Public Statement Review:** Review advice regarding our public statement. The board plans to release a strong statement about robust collection efforts to ensure our roads are getting paved and staying safe, emphasizing positive steps to gain our financial standing.
- **Committees:** Road, Audit, Policy, Nomination, Picnic
- **Scheduling:** Schedule Policy Committee meeting Saturday

8. Action Item Review & Adjournment

- **Summary:** Summary of assigned tasks, deadlines, and date for the next regular meeting on Saturday, August 15, 2026.
- **Community Notice:** Post on Facebook Page: If the weather is lousy, we will not have an in-person meeting on Saturday (Zoom) or postpone to another day.
- **Adjournment:** Hank moves to adjourn. Jason Seconded. Unanimous. Ended at 8:03 pm.