

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, HI.
Tuesday January 6, 1998
Meeting Minutes

I- Call to Order

The meeting was called to order at the appointed time, 4:00 PM. The Board members present were Self, Wiese, Clark, Swangel, McKinney, Brumley, Irvine, Haggardt and Jensen. Harper was a few minutes late due to a printer default. Our staff was represented by Jean Redman, while Don Gillis was our audience.

II- Announcements

A* Board member eligibility was reported as current.

B* A motion was passed "to appoint Don Gillis to fill the vacant Board position left by the resignation of Courtney Murrill". See motion #12 at the end of these minutes. Mr. Gillis was immediately seated.

C* President Self appointed Don Gillis as Chairman of the Safety Committee that had been vacated by Thad Clark.

D* Steve McKinney commented again on "the summary" of the responses that were returned with last year's ballots. The Board appreciated the compilation of this information.

III- Minutes of the Previous Meeting

The minutes of the December 2, 1997 Board Meeting were approved as presented.

IV- Treasurer's Report

Jim Wiese gave the following summary of the Corporation Balance Sheet, as of Dec. 31, 1997.

CURRENT ASSETS

Total current Assets	\$1,484,406.70
Total Fixed Assets	<u>\$408,473.15</u>
Total Assets	\$1,892,879.85

LIABILITIES & RESTRICTED FUNDS & FUND BALANCES

Total Liabilities & Restricted Funds	\$97,037.81
Total Fund Balances	<u>\$1,795,836.04</u>
Total Liabilities & Funds	\$1,892,879.85

ROAD ASSESSMENTS

Billed out	\$1,017,165.00
Received	\$941,483.22
Received for 1997	\$838,864.67
Received for years prior to '97	\$102,618.55

V- Foreman's Report

Frank Harper reviewed the work schedules, for both Dec. 1997 and for Jan. 1998, that he had prepared. It was determined that

changes in the scheduling had pushed the last five blocks of the Coconut re-build over into the new year. Since the scheduling of work by this method is a new experience for the crew, they are beginning to adjust to its use and finding it a valuable tool.

VI- Committee Reports

A* Safety Committee - A letter of complaint concerning the parking congestion in the vicinity of Princess Kaiulani and Tiki was passed to the Committee for review and solution.

B* Legal Committee - The matter of selecting a Corporation Council is still being pursued. The initial cut list is four and these are being interviewed. The holidays placed this matter on hold. A recommendation for the Board will be presented next meeting, hopefully.

C* Budget Committee - A discussion of the 1998 budget resulted in a motion to hold the assessments at the \$95 level for the coming year, but it did not pass. Further discussion resulted in a new motion to allow all billings a \$3 credit if they are paid in full by March 31, 1998. This motion was accepted, see motion #13 at the end of these minutes.

D* House keeping - A motion for the general authorization to pay certain bills, in excess of \$1000 was passed. See motion #14 at the conclusion of these minutes.

E* Government Affairs and Commerce - Tito Haggardt made a brief presentation concerning the future of government in this area of Ocean View. The area consists of more than just the H.O.V.E. subdivision. As, for instance, the local Fire Dept. covers an extensive area beyond the boundaries of the subdivision or, for that matter, the sphere of influence of the Maintenance Corporation. He suggested that we might consider a future contractual arrangement with Ranchos for handling their administrative concerns. This could also mean a possible source of income for the Corporation. No discussion ensued.

VII- Unfinished Business

A* Steve McKinney advised the Board that several responses to the request for a proposal for an engineering study had been received. These ranged in estimated cost from \$70,000 to nearly \$200,000. These proposals are being evaluated at this time.

B* The eligibility of Board members was discussed at length. This resulted in a motion, that passed, to accept Clark's original agreement, for incremental payments of back assessments, as originally presented. This motion counters motion #5 (12/2/97). See motion #15 at the conclusion of these minutes.

C* As a result of the previous motion, motion #16 was passed. See motion #16 at the end of these minutes.

VIII- New Business

No new business items were presented.

IX- Adjournment

The January meeting was adjourned at 5:43 PM.

MOTIONS PASSED DURING THE JAN.6, 1998 BOARD MEETING

#12 A motion to "seat Don Gillis in the current Board membership vacancy" was seconded and passed.

#13 It was moved, seconded and passed to "credit all individual billings, three (\$3) dollars, if they are paid in full, by March 31, 1998. Otherwise the 1998 Maintenance Fee will be ninety five (\$95) dollars".

#14 A motion, seconded and passed, was made to "give general authorization by the Board of Directors, to pay the following bills, in excess of \$1,000, in 1998 without further Board action, as called for in Article VIII, Section 8.3".

- 1: Bi-weekly pay checks.
- 2: Payments of Social Security, SUTA, FUTA and FICA.
- 3: Major equipment repair up to a limit of \$3,000.
- 4: Medical insurance payments.
- 5: Regular insurance payments (worker's comp., liability, etc.).
- 6: Postage and printing costs for the newsletter sent out prior to the annual meeting.

#15 A motion to "accept the original agreement for Thad Clark, until his term expires", was seconded and passed.

#16 A motion that "any contracts entered into and approved by the Board are to be incorporated into the Corporation Standard Operating Procedures", was seconded and passed

SCORECARD OF BOARD MEMBER ACCOUNTABILITY.

Motion	Self	Brum	Clar	Gill	Hagg	Harp	Irv	Jen	McK	Swan	Wies
#12		Y	A	-	Y	-	Y	A	Y	Y	Y
#13	N	Y	Y	Y	Y	N	Y	Y	Y	N	N
#14	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
#15		N	Y	A	Y	Y	Y	Y	Y	Y	N
#16		Y	Y	Y	Y	N	A	A	Y	Y	Y

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, HI.
Tuesday February 3, 1998
Meeting Minutes

I- Call to Order

The Feb. 3, 1998 Board of Directors meeting was called to order at 4:00 PM. The members present were McKinney, Harper, Irvine, Brumley, Jensen, Self, Wiese and Gillis, with Haggardt arriving a few minutes late, while Harper left the assembly early. Our audience consisted of Chuck Harlan and Ty Byron, who is an owner and part time resident. Jean Redman and Mac Kaupu represented our staff.

II- Announcements

A* It was concluded that all members present were eligible to be seated.

B* This new business item was moved ahead to accommodate Mr. Chuck Harlan, of Kona Cinder and Soil. Mr. Harlan made a presentation concerning the availability of material at his temporarily established crusher site. He advised that they have considerably more raw rock product than was initially estimated, which was thought to be approximately 10,000 cubic yards. The additional material was offered to the Corporation at a reduced price, \$14.81 per cubic yard, for 6" minus fill material. The staff reported that we could use as much as we could afford. It was therefore unanimously concluded that we would purchase an additional 15,000 cubic yards with the present 1998 materials budget and borrow from within the earmarked capital improvements budget if we find need to purchase additional chip, during 1998. See motion #17 at the conclusion of these minutes.

III- Minutes of the previous meeting

The minutes of the Jan. 6, 1998 Board meeting were approved as corrected. The correction consisted of changing the word crew to Board, as found in the third line of page 2.

IV- Treasurer's Report

Jim Wiese gave the following summary of the Corporation's Balance Sheet, as of Jan. 31, 1998.

CURRENT ASSETS

Total Current Assets	\$2,466,387.02
Total Fixed Assets	\$409,395.30
Total Assets	<u>\$2,875,746.32</u>

LIABILITIES & RESTRICTED FUNDS & FUND BALANCES

Total Liabilities & Restricted Funds	\$113,776.55
Fund Balances	
Operating Funds Prior	\$1,794,747.28

Retained Funds, Current Year

\$967,216.49

Total Liabilities and Funds

\$2,875,740.32

Concerning the road assessments, he reported the following-

\$1,016,975	Has been billed out.
\$116,194	Has been received, as of 2-1-98.
\$10,878	Has been received for this year.
\$105,316	Has been received for years prior.

As an aside, it was reported that a total of \$2,691 in voluntary contributions had been received for the Fire Dept. Building Fund.

V- Foreman's Report

The task schedules for both January and February 1998 were reviewed with the Board by Frank Harper.

VI- Committee Reports

A* The Legal Committee report concerning the search for and recommendation of a legal consultant for the Corporation was presented. After considerable discussion, a motion was made to accept the recommendation to employ Mark Van Pernis as this representative. This motion was then amended to employ him only for sorting out our concerns for requiring "Work Permits" from the utilities operating within the subdivision. The amendment and the motion were then passed (in that order), by the President breaking a tie vote within the Board. See motions #18 and #19 at the conclusion of these minutes.

B* The Planning and Capital Improvements Committee gave a report, by Steve McKinney, that indicated that of the numerous requests for proposals for an engineering study, that had been sent out, only two viable returns had been received. The estimated cost of these studies ranged from \$70,000 to \$140,000 and he expressed concern that they may not have really been specific to the needs as he saw them. Therefore he proposed a program of "Basic Road Standards/Procedures" to be initiated in place of the costly study. This program was presented in tentative form and the Board decided to table this proposal of important action until the next meeting, to allow time for in-depth study by the Board members.

C* The Safety Committee Chairman, Don Gillis, reported that he had looked into the recent complaint of the parking conditions at the intersection of Princess Kaiulani and Tiki. It seems that the business operator has taken greater control of the situation and there is no longer any parking out into the paved portion of the roadway.

VII- Unfinished Business

No items presented.

VIII- New Business

No new items presented.

IX- Adjournment

The meeting was adjourned at 5:15 PM.

MOTIONS PASSED DURING THE FEB. 3, 1998 BOARD MEETING

#17 A motion "to purchase an additional 15,000 cubic yards of 6" minus crushed fill material from Kona Cinder and Soil, at a stated price of \$14.81 per cubic yard", was seconded and unanimously passed.

#18 An amendment to a motion, concerning the engagement of a Corporation Council, was seconded and approved by a tie-breaking vote of the Board President. The motion is, "to employ the council only for guidance in preparing a 'Work Permit' for utilities working within the subdivision".

#19 A motion was made, seconded and passed, by a tie-breaking vote of the Board President, "to accept the recommendation of the Legal Committee to employ Mr. Mark Van Pernis as Corporation Council". (Note , this motion was amended, see #18 above.)

SCORECARD OF BOARD MEMBER ACCOUNTABILITY.

Motion	Self	Brum	Clar	Gill	Hagg	Harp	Irv	Jen	Mck	Swan	Wies
#17		Y		Y	Y		Y	Y	Y		Y
#18	Y	Y		Y	N	Y	N	N	Y		N
#19	Y	Y		Y	N	Y	N	N	Y		N

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, HI.

Tuesday March 3, 1998
Meeting Minutes

I- Call to Order

The March 3, 1998 Board of Directors meeting was called to order at 4:00 PM. The members present were Self, Wiese, Swangel, Gillis, Clark, McKinney, Harper, Brumley, Haggardt and Jensen. Jean Redman was the only staff member on deck while Walt Fisher, representing the Board of HOVECA, was our audience.

II- Announcements

A- It was established that all members were eligible to be seated for the meeting.

B- President Self took a few minutes to pay tribute to David Irvine, who passed away on February 16, 1998. David had contributed much to the community during his tenure on our Board. We concluded by observing a moment of silence for Dave.

III- Minutes of the previous meeting

The minutes of the February 3, 1998 Board meeting were approved, as presented.

IV- Treasurer's Report

Jim Wiese presented the Corporations Balance sheet, as of Feb. 28, 1998.

CURRENT ASSETS

Total Current Assets	\$2,343,620.24
Total Fixed Assets	<u>\$428,289.04</u>
Total Assets	\$2,771,909.28

LIABILITIES & RESTRICTED FUNDS & FUND BALANCES

Total Liabilities & Restricted Funds	\$124,281.61
Operating Fund prior	\$1,794,747.28
Retained Funds current year	<u>\$852,874.39</u>
Total Liabilities and Funds	\$2,771,903.28

Jim reported that the current status of the road assessments is that \$1,016,975 has been billed out and that so far \$380,000 or 37.4% has been received. It was also reported that to date \$7339 in voluntary contributions had been received for the local Fire Dept.

Frank Harper questioned the budget item, "tires", which had already been exceeded for the year by \$1050. Bob Self advised that he would look into the matter.

V- Foreman's Report

Frank Harper briefly discussed the Task Schedules for the month completed and the proposed for the month ahead. He reported that the rebuild of Coconut was completed in February and introduced a compilation of the man hours required for this job. Based upon this first experience of adequately tracking the

tasks for the rebuild, it was concluded that the 10.75 miles of road scheduled for rebuild this year may be ambitious. It was thought that this might require 83% of the crews time, leaving only 17% for all other tasks. It was pointed out, however, that Coconut was chosen as a first cut, based upon the obvious difficulties of realignment and may not reflect average time required per mile. Jim Wiese asked that he be allowed to work out a total cost figure for this rebuild that reflects both time and materials. Request granted.

VI- Committee Reports

A- Government Affairs Committee. Tito Haggardt reported that he had attended two meetings last month, one concerning changes proposed by Hawaii County, of the Subdivision Code, while the other covered signage for commercial advertizing.

B- Safety Committee. Walt Fisher was introduced. He presented a letter from HOVECA that advised of the recently formed Safety Committee for that organization. He expressed a desire to work closely with Don Gillis and our Safety Committee. This resulted in a motion to include HOVECA in our Safety Committee, as well as Ranchos Subdivision and other interested groups. This motion did not pass, for it was concluded that liaison with HOVECA had been established, which is adequate at present. See motion #20 at the conclusion of these minutes.

C- Budget Committee. Frank Harper presented the "Calculations for the 1999 Budget". The Board was asked to study this proposal for consideration in May.

D- Planning Committee. Steve McKinney presented a motion to direct the Foreman to inspect the road system each year and prioritize a list of work to be performed in the following year. Before the second, this motion was tabled by motion #21. See summary at the end of these minutes. Steve then presented motion #22, which asked that the Corporation contract with Big Island Asphalt Co. to inspect the roads and consult with the Foreman to prepare a Present Condition Rating of the roads needing repair. This was to work in conjunction with the proposed motion tabled by motion #21. See motion #22 (which was passed) at the conclusion of these minutes.

E- By-Laws Committee. Rex Brumley submitted a By-Laws Committee report for the members information. Two changes are proposed that will be discussed at a future meeting. A second item of business concerned the change of By-Laws to allow the Corporation to bill fees for the Volunteer Fire Dept. simultaneously with our annual billing. Based upon a Feb. 17, 1998 letter from Attorney Gianotti, who recommended that this change not be made, motion #23 was made and passed. See motion at the end of these minutes.

VII- Unfinished Business

A- The matter of the "Basic Road Standards/Procedures", that were circulated at the last meeting was discussed at length. Each item was considered with a straw vote of the members to determine agreement. A motion was then passed to adopt the modified Standards/Procedures. See motion #24 at the conclusion

of these minutes.

B- A motion was made to return the item tabled by motion #21 before the Board. This concerns having the Foreman conduct an annual inspection, and was passed. See motion # 25 at the conclusion of these minutes.

C- A motion was passed, which amended the previously passed motion #22. The amendment strengthens the negotiation requirements. See motion #26 at the conclusion of these minutes.

VIII- New Business

A- A motion to have Jean Redman prepare a monthly Motion and Resolution Report for Board review was passed. This is to allow better tracking of the business conducted. See motion #27 at the end of these minutes.

B- Tito Haggardt reported, for Board consideration, that he had had contact with Bob Berry of the Ranchos Road Board and that there was interest in having a joint meeting of the two Boards to get a feel for consolidation. No action was taken at this time.

IX- Adjournment

This meeting was adjourned at 6:25 PM.

MOTIONS CONSIDERED DURING THE MARCH 3, 1998 BOARD MEETING

#20 This motion to include a member of the HOVECA Board of Directors as a Safety Committee member for HOVE did not pass. It is to be noted that this would also have included members of other interested community groups.

#21 This motion, seconded and passed, was made "to table a proposed motion to have the Foreman perform an annual inspection and prepare a prioritized list of future work". See motion #25, below.

#22 A motion made, seconded and passed "to contract with Big Island Asphalt Co., Inc. on a consulting basis to work with the Foreman to inspect roads in the HOVE road system, determine the basic condition and prepare a Present Condition Rating (PCR) of these roads, and prepare recommendations for maintenance and repair work, at a rate not to exceed \$125 per hour plus expenses, and a total not to exceed \$5,000." Note- see motion #26, following, which amends this motion.

#23 A motion made, seconded and passed "to not alter the By-Laws to allow the simultaneous billing (with the maintenance fee billing) of a per lot fee for the maintenance of the Ocean View Volunteer Fire Dept."

#24 A motion made, seconded and passed which reads, "the Board establish and the Corporation follow road standards in accordance with an agreed upon list of Basic Road Standards/Procedures."

#25 A motion made, seconded and passed "to (A) The Foreman is directed to conduct an inspection of the HOVE road system during the October-December period each year and prepare a prioritized list of road work to be performed the following year, with a mileage total equal to that in the approved budget, and (B) The above is to be accomplished for 1998 by May 1, 1998."

#26 A motion made, seconded and passed "to amend motion #22 to negotiate the hourly rate to something less than the stated \$125 per hour and to contract for work up to a total cost of \$5000."

#27 A motion made, seconded and passed "to direct Jean Redman to prepare a monthly Motion and Resolution Report for the Board members."

SCORECARD OF BOARD MEMBER ACCOUNTABILITY.

Motion	Self	Brum	Clar	Gill	Hagg	Harp	Jen	McK	Swan	Wies
#20		N	Y	N	Y	N	N	N	N	N
#21										
N	Y	Y	N	Y	N	Y	Y			
#22		N	Y	N	Y	Y	N	Y	Y	N
#23		Y	N	Y	N	Y	N	Y	Y	Y
#24		Y	Y	N	N	Y	N	Y	Y	Y
#25		Y	Y	Y	N	Y	N	Y	Y	Y
#26		A	Y	N	Y	Y	N	Y	Y	N
#27		Y	Y	Y	A	Y	Y	Y	Y	Y

H.O.V.E ROAD MAINTENANCE CORPORATION
Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, Hi.
Tuesday April 7, 1998

I. **Call to Order** The April 7, 1998, Board of Directors meeting was called to order at 4:01 PM. The members present were: Self, Wiese, Clark, McKinny, Harper, Haggardt and Brumley. Director Jensen was excused. There were no staff members or other people in attendance.

II. **Announcements**

A...It was established that all members were eligible to be seated for the meeting..

B. The secretary was absent and requested that director Haggart be issued a proxy for any voting during this meeting. This Proxy was not allowed as *Robert Rules of Order Newly Revised* does not permit proxies during regular monthly meeting unless our bylaws permit them.

III **Minutes of the previous meeting.** The minutes of the March 3, 1998, meeting were approved as amended (new last page correcting voting accounting was attached)

IV **Treasurers Report.** Jim Wiese presented the Corporations Balance sheet, as of March 31, 1998

Current Assets	
Total Current Assets	\$2,269,506.54
Total Fixed Assets	<u>431,203.84</u>
Total Assets	\$2,700,710.38

Liabilities & Restricted Funds & Fund balances

Total Liabilities & Restricted Funds	\$ 192,780.28
Operating Funds prior year	1,794,747.28
Retained Funds current year	<u>713,176.82</u>
Total Liabilities & Fund Balances	\$2,700,704.38

Jim reported that the current status of the road assessments is that \$1,016,975 has been billed out and so far \$773,035 or 76% has been received.

V. **Foreman's Report.** Frank Harper briefly discussed the Task Schedules for the month completed and the Tasks proposed for the current month. In addition he provided a summary of major maintenance accomplished.

VI Committee Reports

- A. Government Affairs The Chairman Tito Haggardt reported that the County might help us in our engineering study of our roads as they were preparing to publish a study of engineering standards for rural roads.
- B. Budget & Finance. The Chairman Frank Harper presented the revised Budget for 1999 of \$929,863 this budget would require an assessment of \$95 for each property owner. This assessment may be reduced if any funds are available at the end of the 1998 fiscal year. A motion was made and passed to accept the 1999 Budget. (See motion #28 at the conclusion of these minutes).
- C. Bylaws The Chairman Rex Brumley presented two (2) proposed bylaws, changes to the board for consideration, after discussion it was determined that these proposed changes be reviewed by the legal committee prior to board action
- D. Planning. The Chairman Steve McKinney discussed the survey of our roads being taken by our Foreman and a representative of Big Island Asphalt Co. he was able to reduce the cost of this survey to what he considered a reasonable amount. It is planned that over 40 miles of roads will be covered. Results of this survey are not yet available. Review of proposals for engineering study of HOVE road system has been accomplished and it is the recommendation of the planning committee that this study be tabled at this time due to the high cost of the submitted proposals. Motion was made to return the \$30,000 reserved in the Capital Improvement Fund for this study to the Operating Fund. These funds to be used as an assessment credit for 1999 (see motion # 29) Another motion was made to table the engineering study until such a study was required (see motion #30). Reasons for not sending H.O.V.E Road Corporation Foreman to Contractor school was discussed. This discussion resulted in a proposal to advertise for an outside General Contractor instead of sending the Road Corporations Foreman to school (see motion #31)

VII. Unfinished Business. Discussion on "Enlarging Road Corporation from subdivision to area wide" was deferred at the request of Tito Haggardt

VIII. New Business.

- A. Letters to board from property owners were discussed. It was determined that procedures for taking care of down stop signs, trees, pot hole etc. would be reviewed and action would be taken to expedite these emergency repairs.
- B. Jim Wiese submitted his resignation from the board as he is moving to Kona. This required that a new Treasurer be elected. Director Frank Harper was elected to this position for the remainder of the year. Jim was thanked for his many years of faithful service to the Road Corporation and was requested to formally submit his resignation in writing.

XI Meeting adjourned at 6:12 PM.

MOTIONS CONSIDERED DURING THE APRIL 7 1998 BOARD MEETING

#28 A motion was made by Harper, seconded and passed that:

- a. The budget for 1999 be approved for \$929,863
- b. The assessment for each un-incorporated lot be set at \$95.00 for 1999
- c. If any assessment credit is allowed for 1999, this credit is to be based upon actual funds collected in 1998 and determined at the January 1999 Board of Directors meeting, prior to mailing out property assessment.

#29 A motion was made by Haggardt, seconded and passed to "Return \$30,000 in the Capital Improvement Fund (reserved for an engineering study) to the Operating Fund. This \$30,000 to be used as assessment credit for 1999."

#30 A motion was made by McKinny, seconded and passed to: Table the approved Engineering Study of the H.O.V.E. road system until such a study is required by future growth

#31 A motion was made by Brumley, seconded and passed to: Advertise for a licensed General Contractor with road building experience to possibly handle outside road work by the corporation.

Motion	Self	Brum	Clark	Gill	Hagg	Jen	McK	Harp	Swan	Wiese
#28	-	Y	N	-	N	-	Y	Y	-	Y
#29	-	Y	Y	-	Y	-	Y	N	-	N
#30	-	Y	Y	-	Y	-	Y	Y	-	N
#31	-	Y	Y	-	Y	-	Y	Y	-	Y

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting

Ocean View, HI.

Tuesday May 5, 1998

Meeting Minutes

The regular meeting of the Board of the Road Maintenance Corporation was canceled due to the lack of a quorum.

The next regular meeting is scheduled for Tuesday June 2, 1998 and will be held in the St. Jude's Episcopal Church at 4:00 PM.

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, HI.
Tuesday June 2, 1998
Meeting Minutes

I - Call to Order

The regular meeting of the H.O.V.E. Road Maintenance Corporation was called to order at 4:00 PM. on June 2, 1998, in the St. Jude's Episcopal Church, Ocean View, HI. The Board members present were Self, Harper, McKinney, Jensen, Swangel, Brumley and Haggardt, with Gillis arriving late. Jean Redman represented our staff, while Mr. Merl Martin and Mr. Ken Arbo made up our audience.

II - Announcements

A - The eligibility of all Board members present was affirmed.
B - Mr. Merl Martin was given time to address the Board, concerning the use of the Corporation News Letter. He made the suggestion that all presentations appearing in the News Letter "should be a little more up front". His main concern was the article in the last publication which gave the electorate the impression that all roads were finished and so a maintenance program could now be the main focus. He contended that this was not the case at all, that the roads are not finished. There is much work to be done yet. He focused on developing full rights-of-way, removing line of sight barriers and by increasing road safety with adequate signage. His contention was that all HOVE roads should be fully developed before work beyond this scope is considered. He also advised that all articles concerning matters to be voted upon by the electorate be adequately covered in the News Letter with both pro and con presentations. A proposed motion to require both sides to be given equal voice was not allowed because the matter was not on this agenda. It was concluded that this matter would be further considered at the next regular meeting and is to be placed on the agenda.

III - Minutes of the Previous Meeting

A - The minutes of the April 7, 1998 meeting were approved as presented.
B - The minutes of the May 5, 1998 meeting were corrected as follows. The first sentence is to read, "The regular meeting of the Board of the Road Maintenance Corporation was canceled".
C - The Secretary wishes to Thank Mr. Harper for preparing the April meeting minutes in his absence.

IV - Treasurer's Report

Frank Harper reported that currently the collections are at 81% of billed fees. This does however include the collection of past due fees. He then presented the Corporation Balance Sheet, as of May 31, 1998. This is being reproduced here in full.

VIII - New Business

During our last meeting it was concluded that another vote be presented to the electorate concerning the pursuit of outside road work. (See motions #34 and #35.) Mr. Merl Martin presented the Board with a one page summary of several statements that outlined objections to pursuing the outside work proposal. These objection statements and a one page statement of support were both read to the Board. It was the consensus that all of these statements should be included in the up-coming news letter, with the exception that one statement, of objection, was unsigned and would therefore not be printed. It should not be inferred that this consensus was unanimous.

IX - Adjournment

This meeting was adjourned at 5:47 PM.

Note--We must take this opportunity to acknowledge the monthly Motion and Resolution Report prepared by Mrs. Redman. It is a very informative addition.

Motions Considered During the July Board Meeting

MOTION #36 It was moved seconded and passed "to charge 10% interest on all unpaid balances of billed fees, each year on December 31, beginning in 1998, in lieu of a late payment fee".

MOTION #37 It was moved seconded and passed "that the Board apply unused funds (not including approved carry-over funds) at the end of each year, to rebate to all members with zero balances, at the next yearly assessment due date".

MOTION #38 It was moved seconded and passed "to approve and follow the Big Island Asphalt Co., 1998 Road Study recommendations, with the following specific exceptions:

1 - Four way stops: Lehua @ Princess Kaiulani, Lehua @ Aloha.

2 - Undertake an informed and targeted traffic count.

3 - Consider Lotus Blossom and Lehua as primary subdivision entrances.

4 - And the general exceptions of budget constraints and the discovery of alternate methods to achieve the same results.

This motion was amended "to prioritize the work to be accomplished so the work follows the Big Island Asphalt Co. map which shows Work to be Accomplished in 1998".

Scorecard of Board Member Accountability					
Motion No.	McKinney	Clark	Harper	Swangel	Jensen
#36	Y	Y		Y	Y
#37	Y	Y		Y	Y
#38	Y		Y	Y	Y
#38 Amendment	Y		Y	Y	Y

ASSETS

CURRENT ASSETS

Cash - Trust	\$15.75	
Petty cash	4.92	
Bank of Hawaii - Checking	91,999.26	
Shearson Money Market Fund	353,415.99	
Cash - Trust	61,919.98	
Accounts receivable	948,493.50	
Allowance for pre-93 A/R	(476,317.99)	
Prepaid Insurance	2,744.87	
Smith Barney Invest. Fund	<u>993,653.47</u>	
Total Current Assets		\$1,975,929.75

FIXED ASSETS

Real Estate	\$152,977.91	
Equipment Road	486,140.69	
Accum. Depreciation Road Eq.	(302,717.64)	
Building & Improvements	110,280.57	
Accum. Depr. Build & Improv.	(12,877.40)	
Office Equipment	26,959.00	
Accum. Depr. Office Equip.	<u>(24,035.94)</u>	
Total Fixed Assets		<u>\$436,727.19</u>

TOTAL ASSETS

\$2,412,656.94

LIABILITIES & RESTRICTED FUNDS AND FUND BALANCES

LIABILITIES & RESTRICTED FUNDS

Accounts Payable	(\$255.89)	
Fed. Withhold Tax Payable	321.45	
FICA Payable	2,846.27	
State Withhold Tax Payable	1,100.45	
Fed. & State Unemployment	(1,192.98)	
Medical Payable	35,499.89	
Union Dues	(21.92)	
Trust Fund	(684,399.00)	
Smith Barney-Trust Change	884,898.42	
Cap. Lease - C&L	0.09	
TDI Payable	1,064.32	
Other payroll Deductions	125.44	
Employee Annuity Payable	1,753.56	
403 (B) Payable	<u>192.31</u>	
TOTAL LIABILITIES & RESTRICTED FUNDS		\$241,932.41

FUND BALANCES

Operating Fund - Prior	\$1,794,747.28	
Retained Funds-Current Yr.	<u>375,971.25</u>	
TOTAL FUND BALANCES		<u>\$2,170,718.53</u>

TOTAL LIABILITIES & RESTRICTED FUNDS & FUND BAL. \$2,412,650.94

Mr. Harper also reported that due to the purchase of the stock-piled base material, that that budget item is now exceeded by nearly \$69,000. (See the minutes of the Feb. 3, 1998 Board meeting, and motion #17.)

V - Foreman's Report

Frank Harper briefly reviewed the Crew's Task Schedules for the months of April, May and June, for the Board. This was followed by a discussion of the Work Schedule. The disturbing part of this review was that at the time of preparation of the Work Schedule, approximately 41% of the available work time had passed with only 17% of the scheduled work completed.

VI - Committee Reports

A - By-Laws Committee - Although the legal opinion concerning the change in the By-Laws, regarding Board Members all being in good standing and our ability to influence legislation, had been received, it had not been delivered to the Committee Chairman for his action. This matter will be presented at the next meeting.

B - Government Affairs Committee - It was reported that a substantial amount of the County tax money collected from within the subdivision is not being used here. In order to capitalize on this funding source, the various aspects of community planning are being investigated. Mention was made of the proposal for forming a Financial Planning District. The meeting held here to inform of the progress of the pilot program that is currently being explored to form a Financial Planning District in the Hawaiian Paradise Park subdivision was also mentioned.

C - Planning Committee - Steve McKinney briefly discussed "the Plan". He then recommended that the Capitol Improvement Fund be closed. This was questioned by the Board and so it was decided to request an opinion of the funds legality and was therefore referred to the legal Committee.

Steve next introduced the idea of assessing a service fee on all over-due maintenance fee accounts and rewarding those Corporation members that are current with all assessments, by offering a reduction in fees for timely payment. This discussion resulted in a decision to implement a 10% interest charge on all fees still owing on Dec. 31st of each year.

In further discussion of "the Plan", Steve suggested that the interest income from the Trust Fund be withdrawn to reduce the assessments each year. There seemed to be no objections to this proposal.

VII - Unfinished Business

A - The proposal to engage a part time individual with a contractor's license was discussed. (See Motion #31 of the April 7, 1998 Board Meeting.) Mr. McKinney advised that a gentleman from Hilo was interested and the Board agreed that he should pursue an interview with this gentleman. An interview had been held with Mr. Ronald A. Pickering of Oahu, but it was found that although he was a registered engineer he did not hold a contractor's license and so was not eligible.

B - Mr. McKinney then discussed the recently received report from Big Island Asphalt Co. (Refer to Motion #22, from the March 3, 1998 Board Meeting). He advised that this report was very comprehensive and may materially alter "the plan" for future years. The report not only discussed the areas where rebuilding

and maintenance are proposed, but also the methods that will prolong the life of the road surface. In addition, matters such as traffic routing and increasing user safety were covered. (Note: a copy of the report is in the office for member perusal.)

VIII - New Business

A - The issue of painting and striping the rebuilt roads was presented by Frank Harper. This resulted in a motion to use Hawaii Blvd. as a test area for applying a fog seal and then striping and painting stop bars. This motion was then amended to include Keaka and Lotus Blossom in the proposed work. See Motions #32 & #33 at the conclusion of these minutes.

B - Mr. Ken Arbo made a presentation concerning the Corporation's pursuit of Outside Work. This was a previously expressed concern, but was triggered again by the advertisement for a general contractor as an employee. The expressed concerns complemented those presented by Mr. Martin, but in addition, requested again that the matter be placed before the electorate, but only after the facts of the liabilities are adequately presented in the News Letter. He then read a summary of his concerns that he had prepared for inclusion in this years News Letter.

After discussion, Motions #34 & #35 were introduced. Motion #35 amends the previously introduced motion to publish Mr. Arbo's summary of objections in the News Letter, to expand the proposal to schedule a new vote after providing equal time to the pro and con of the matter in the up coming News Letter. These two motions were passed. See Motions #34 & #35 at the close of these minutes.

IX - The meeting was adjourned at 6:10 PM.

Motions Considered During the June 2, 1998 Board Meeting.

Motion #32 - A motion was made "to apply a fog seal to Hawaii Blvd. along with the application of stripes and stop bars". During the discussion an amendment, (see motion #33) was offered, seconded and passed to become a part of this motion. A second was made and amended motion, #32 was adopted.

Motion #33 - A motion to amend motion #32 "to include Keaka, between Lehua and Lotus Blossom, as well as Lotus Blossom between Keaka and Princess Kiaulani", in the work schedule outlined in motion #32, was seconded and passed.

Motion #34 - A motion was made "to condense Mr. Arbo's stated objections to instigating the Outside Work proposal and publish it in the up-coming News Letter". Discussion produced an amendment (see motion #35), which was incorporated into this motion. The second was made and a tie vote was broken by President Self, to adopt this motion.

Motion #35 - A motion was made to amend motion #34 as follows. "To allow a new ballot on the matter of performing Outside-Work, with a one page letter of (each) the pro and the con of the matter, to insure equal presentation, to be published in the up-coming News Letter". This amendment was seconded and a tie vote was broken by President Self, to adopt the motion.

Scorecard of Board Member Accountability

Motion	Self	Brum	Gill	Hagg	Harp	Jen	Mck	Swan
#32		Y	Y	Y	Y	Y	Y	Y
#33		Y	Y	Y	Y	Y	Y	Y
#34	Y	Y	Y	N	Y	A	N	N
#35	Y	Y	Y	N	Y	A	N	N

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, HI.
Tuesday July 7, 1998
Meeting Minutes

I - Call to Order

The regular July 7, 1998 meeting of the Corporation Board of Directors was called to order at 3:57 PM in Ocean View. Mr. Steve McKinney presided in the absence of President Self. The members present were--McKinney, Clark, Harper, Swangel and Jensen. Jean Redman was our only staff member to attend this meeting while Mr. Merl Martin made up our audience.

II - Announcements

A - The eligibility of all Board members present was established.
B - It was announced that Mr. Rick Merschdorf, our Smith-Barney account representative, who was scheduled for a status report, would not be able to be present. He will be placed on our agenda for our August meeting.

III - Minutes of the Previous Meeting

A - Thad Clark asked for clarification concerning motions #34 and #35, but no changes were made.
B - Steve McKinney questioned the \$6 differential between total assets and total liabilities. We learned this was a minor miscalculation that will be carried through until the next audit.
C - Steve McKinney requested a change in the reporting of item C of the Committee Reports (page 3, the second sentence of the second paragraph), that is to be changed to read as follows: "It was recommended that a 10% interest charge, on all fees still owing on Dec. 31 of each year, be adopted and voted upon at the next regular meeting".
With this change, the minutes of the June 2, 1998 Board meeting were approved, as presented.

IV - Treasurer's Report

Frank Harper reported the following (in summary) for the Corporation Balance Sheet, as of June 30, 1998.

<u>ASSETS</u>	
Total Current Assets	\$1,943,399.37
Total Fixed Assets	\$437,224.65
Total Assets	<u>\$2,380,624.02</u>
<u>LIABILITIES</u>	
Total Liabilities and Restricted Funds	\$240,220.66
Total Fund Balances	<u>\$2,140,397.36</u>
Total Liabilities & Restricted Funds and Fund Balances	\$2,380,618.02

Mr. Harper then mentioned the fact that the accumulated depreciation on the road equipment (\$302,717.64) is approaching

the total fixed asset of the equipment, that is carried in the budget as \$486,140.69, and this (maybe) shows some indication of the age of the equipment. It was also reported that the billings collected, to date, are at \$845,757, or 83% of the fees billed this year. This figure does include collection of past due fees, also.

V - Foreman's Report

The Foreman's Report was presented by Mr. Harper. Both the June schedule of work accomplished and the July schedule of work proposed were discussed. A hold up in the work accomplished in June resulted when adequate road oil could not be delivered. It was also reported that the field crew is down to four men, now, since one man is recouping from surgery.

VI - Committee Reports

No Committee Reports were presented this month.

VII - Unfinished Business

A - It was reported that, based upon the opinion of Mr. Gianotti, the Corporation Attorney, the maintenance of the "Capital Improvement Fund" is permitted by the By-Laws. It was therefore concluded that it will be retained as a standing budget item. (See the Gianotti letter of 6/10/98.)

B - Two interviews that have been recently conducted with individuals that have responded to our advertisement for "a licensed general contractor with road building experience to possibly handle outside road work by the Corporation", (See motion #31.) were reported upon.

- The first was with Mr. Ronald A. Pickering and Mr. Michael A. Teves of Construction Engineering Labs Inc. It was concluded that a proposal would be submitted to the Corporation, outlining the services that could be provided. To date, no proposal has been received.

- The second was with Mr. Henry H. Otani, of Hilo. Mr. Otani had presented a proposal that was discussed and will be available for Board member review, at the office.

This matter was placed on hold until our next meeting, assuming that the Construction Engineering Labs proposal will be received, for comparative purposes.

C - A motion was passed to levy a 10% interest charge on all unpaid fees. See motion #36 at the end of these minutes.

D - A motion was made and passed to apply unused funds to an annual rebate on fees. See motion #37 that appears at the end of these minutes.

E - An amended motion was passed to approve the Big Island Asphalt Co. "H. O. V. E. 1998 Road Study" recommendations, with exceptions. The amendment, that was passed, prioritized the work to be accomplished to follow the Big Island Asphalt Co. map, titled "Work to be Accomplished in 1998". See the amended motion #38 at the end of these minutes. Note a copy of this "1998 Road Study" is on file at the Corporation office and Board Member review is encouraged.

H. O. V. E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
St. Jude's Episcopal Church
Ocean View, HI.
Tuesday August 4, 1998
Meeting Minutes

I - Call to Order

The regular monthly meeting of the Road Corporation was called to order by Pres. Self at 4:01 PM on Tuesday August 4th at St. Jude's Church in Ocean View. The Board members present were Self, Brumley, McKinney, Clark, Haggardt, Swangel, Harper and Jensen. Gillis arrived late and Swangel left before adjournment. Jean Redman was the only staff person in attendance while the audience consisted of two parties that made presentations. (See references to Merschdorf and Kawananaokoa in these minutes.)

II - Announcements

A - The eligibility of all Board members was confirmed and the meeting proceeded.

B - Mr. Rick Merschdorf, a financial consultant from Solomon Smith Barney presented a synopsis of the second quarter standing of the HOVE Road Maintenance Corp. investment account that he is overseeing.

The account seems to be doing very well, advancing along with the general stock market. He reported that the account is invested in three separate segments as follows--

1 - The first segment is an International Stock Fund managed by Lazard Freres, that consists of principally European stocks. The current value of this segment was \$197,743.31, as of June 30, 1998.

2 - The second segment of this account is managed by Provident and is a Large Cap Growth Fund. It consists of common stocks on the U.S. market. Currently the market value of this account is shown to be \$729,585.00.

3 - The final segment of the account consists of a bond fund (an income fund) that is being managed by Mr. Merschdorf. This segment is shown to have a current market value of \$230,185.84.

The total sum of this investment account, on 6/30/98, was \$1,165,514.15. The Board was cautioned that it is possible for this figure to vary dramatically, depending upon the whims of the overall market.

Considerable discussion ensued concerning the withdrawal of capital gains and income to possibly be used to reduce the annual fees for road maintenance. The Board was advised that this would be possible, but to consider the need to maintain and possibly increase the basis to account for future inflation and poor market performance.

III - Minutes of the Previous Meeting

Minutes of the July 7, 1998 Board meeting were approved as

presented.

IV - Treasurer's Report

Mr. Harper reviewed the Corporations current balance sheet, and reported on the recent audit, which all seems to have been in order.

The current collections stand at \$855,308.51, which is 84% of this years billing. It is however to be noted that this figure also includes payments of past due fees.

As of July 31, 1998 the balance sheet stands as follows--

TOTAL CURRENT ASSETS	\$2,053,641.82
TOTAL FIXED ASSETS	<u>\$423,898.25</u>
TOTAL ASSETS	\$2,477,540.07
TOTAL LIABILITIES & RESTRICTED FUNDS	\$203,670.71
TOTAL FUND BALANCES	<u>\$2,273,869.36</u>
TOTAL LIABILITIES & RESTRICTED FUNDS AND FUND BALANCES	\$2,477,540.07

There was discussion of a bank program that offers automatic transfers of specified checking account balances into an account that pays a relatively high interest rate. Mrs. Redman was asked to look into this program and compare it with the arrangements that are now in place, which appear to be very similar in nature.

V - Foreman's Report

Mr. Harper reviewed, with the Board, the task sheets for July, the accomplishment, and for August, the work proposed for the month ahead.

A new man hour study was introduced which gives a general view of how the staff hours are spent. This compilation was assembled from the daily time sheets prepared by the individual members of the crew. It was agreed that this was a worthwhile endeavor, but will show its worth with time, for comparison purposes. This particular compilation only covered the past nine months of work.

VI - Committee Reports

There were no committee reports for this meeting.

VII - Unfinished Business

Steve McKinney reported that the response to our advertisement for a consultant resulted in a single applicant, Mr. Henry H. Otani, of Hilo. He then reviewed Mr. Otani's proposal and in the discussion that followed a motion was made and passed to employ Mr. Otani for the preparation of a "Road Maintenance Standards and Procedures Manual". See motion #41 at the end of these minutes.

It was concluded that further negotiation would be required concerning fees and a termination clause before proceeding with employing him as our Road Building Consultant.

VIII - New Business

A - The Board was advised of the opportunity to double the office

area by moving to the space next to the present office. Mrs. Redman summarized that more space is definitely required and that this move would allow the consolidation of records, make room for the monthly Board Meetings, as well as conferences, and give desk space for the Foreman and proposed consultant as well as house the present sublessor, Ranchos Staff and files. Motion #42, at the end of these minutes, allows the staff to proceed with the acquisition and moving.

B - The matter of upgrading the computer system had already been accomplished and so was not discussed.

C - Concerning the matter of discussing the obsolete Road Equipment, it was requested that the matter be moved to the next meeting for consideration.

D - The Board had been presented with a formal request, which was read, to use the road system for access to an adjacent parcel of land, located at the upper end of HOVE. This request had been submitted by Mr. & Mrs. Piikoi Kawananaoia, who were in attendance. It was learned that subdivision of the adjacent land was proposed to accommodate nine new individual lots and that the grant of access was required before presenting the proposal to Hawaii County. Considerable discussion resulted in two motions, #39 & #40, being made. These will be found at the end of these minutes. Motion #39 was amended to limit the actions of an appointed committee, to a 30 day time frame. The committee was to look into the engineering and legal implications of this request. The motion was defeated.

Motion #40 was seconded and passed and will provide a non-committal letter of intent to allow the access.

IX _ Adjournment

The meeting was adjourned at 6:25 PM.

Motions Considered During the August Board Meeting

Motion #39 - It was moved and seconded that a committee be formed to study the engineering and legal aspects of providing road access, via the HOVE private road system, to an adjacent parcel of land that is to be subdivided into nine private lots. The motion was amended to allow only 30 days for a decision on this request, for time is of the essence. The motion and its amendment were defeated in the voting.

Motion #40 - It was moved, seconded and passed "that after consulting with the Corporation Legal Council that the request for granting access to an adjacent, proposed, nine lot subdivision, be granted, a non-committal letter of intent to allow access to this subdivision over the HOVE private road system".

Motion #41 - It was moved, seconded and passed, "that Mr. Henry H. Otani be employed, as per his proposal, to prepare a 'Road Maintenance Standards and Procedures Manual'. This is to be done at a cost of \$1575 and is to be reviewed and discussed with the Board and the Staff before acceptance".

Motion #42 - It was moved, seconded and adopted that "the Road Maintenance Corporation Administrative Office be moved to an adjacent space in the Town Center Building, on a month to month basis, and at a rent of \$845 per month".

Scorecard of Board Member Accountability

Motion	Self	Brum	Clar	Gill	Hagg	Harp	Jen	McK	Swan
#39		N	N	N	N	N	Y	N	N
#39 Amend.		Y	N	Y	N	Y	Y	A	N
#40		Y	Y	Y	Y	Y	N	Y	Y
#41		Y	Y	Y	Y	Y	Y	Y	Y
#42		N	Y	Y	N	Y	Y	Y	-

THE SEPTEMBER 1, 1998 MEETING WAS CANCELLED BECAUSE OF A LACK OF QUORUM.

H.O.V.E. ROAD MAINTENANCE CORPORATION

Board of Directors Meeting
HOVE Road Office, Town Center
Ocean View, HI.

Tuesday October 6, 1998
Meeting Minutes

To be noted--The September 1998 regular Board Meeting was not held. A quorum was not available.

I. Call to Order

The regular monthly meeting of the Road Corporation was called to order by Pres. Self at 4:00 PM, Tuesday October 6, 1998, at the Road Corp. Office in the Ocean View Town Center. This is the first regular Board meeting to be held in the new office quarters.

The Board members present were-- Harper, Swangel, Haggardt, McKinney, Brumley, Self and Jensen. Our staff members Jean Redman, Mac Kaupu and Jeff Anderson were also in attendance. The audience consisted of Ken Arbo and Henry Otani.

II. Announcements

A - The Board learned that employee evaluations had been completed and placed in the personnel files.

B - All Board members in attendance were declared to be eligible for seating.

C - The Board was reminded that the annual meeting will be held on Saturday October 10, 1998 at 10:00 AM at the HOVECA Center. A special Board meeting will follow, to seat the newly elected directors and elect officers.

D - Tito Haggardt, a Board member and organizational Chairman of the Ocean View Community Development Corporation (OVDCD), gave a report on the activities of OVDCD. We learned that money was made available for the proposed "experimental" water well, and that a lease from the County of Hawaii has been signed for property to locate the well. A meeting is scheduled for Oct. 14, 1998 to elect a Board of eleven Directors for the newly formed OVDCD. Officers will be selected from these new Directors. HOVE RMC was asked to send at least one representative, a voting member, to participate in the OVDCD Board formation.

E - As requested, the HOVE RMC Board proposed three individuals as representatives to the OVDCD Board formation meeting. These representatives were Ken Arbo, Frank Harper and Joe Jensen. Jensen was granted voting privilege.

F - Mr. Henry H. Otani, Engineering Consultant, presented a "Standard Manual for Road Construction and Maintenance, dated October 1998". Mr. Otani was commissioned to prepare this document by Motion #41 during our August 4, 1998 Board Meeting. It was decided that action concerning the Standard Manual would be postponed until our next meeting to allow the Board and especially the staff, time for review.

III. Minutes of the Previous Meeting

Minutes of the August 4, 1998 Board Meeting were approved as presented. There was no Board Meeting in September 1998.

IV. Treasurer's Report

Frank Harper presented a new format for the Treasurer's Report. As of Sept. 30, 1998 the Corporation Balance Sheet stands as follows-

<u>ASSETS</u>	
Current Assets (Total)	\$1,848,016.61
Fixed Assets (Total)	<u>413,169.72</u>
TOTAL ASSETS	\$2,261,186.33

<u>LIAB. & RESTRICT. FUNDS and FUND BALANCE</u>	
Liab. & Restrict. Funds (Total)	\$ 826.15
Fund Balance (Total)	<u>2,260,360.18</u>
TOTAL LIAB. & REST. FUNDS and FUND BALANCE	\$2,261,186.33

It was also reported that the Corporation had billed out, on 1/21/98, \$1,016,975. As of 9/30/98, \$874,278, or 85%, had been collected. This collection does include funds from past due billings.

V. Foreman's Report

The Task Sheets for the Sept. 1998 accomplishments and the Oct. 1998 proposed tasks were briefly reviewed.

VI. Committee Reports

Tito Haggardt, the Chairman of the Governmental Affairs and Commerce Committee, reported that Ka'u is emerging to be recognized as a political entity. The positive attitude of generally wanting to help ourselves is getting the attention of our County Government, both officials and offices.

VII. Unfinished Business

A - Frank Harper reported that a number of pieces of obsolete and unused road and office equipment had been identified. This is listed as follows-

--OBSOLETE EQUIPMENT LIST---

- 1 - Gateway Pentium CPU
- 2 - Old Oiler (Repair will be required)
- 3 - Ingram Roller (Repair will be required)
- 4 - Case Sweeper
- 5 - The Electrical Generator (Former power supply for the shop). Note special dispensation.

His suggestion was to dispose of this equipment by bid or gift at the earliest. This resulted in two motions that passed.

1. Since power is now available at the Base Yard, it was moved to donate the Electrical Generator to the Ocean View

Volunteer Fire Dept. for use in the new Station House, now under construction. See Motion #43 at the end of these minutes.

2. The remaining items on the above list of equipment are to be placed for bid, at the earliest time available. See Motion #44 at the end of these minutes.

B - The matter of withdrawing the earned income from the Trust Fund was discussed at length. Any income to be withdrawn from this source must be identified before the end of the year. It is being proposed that this income be used as a rebate on billed fees that are paid in a timely fashion. This resulted in an amended motion to withdraw 40% of the income. The amendment established that this be done on Dec. 31, 1998. See Motions #46 and #46-A at the end of these minutes.

C - Steve McKinney proposed that the discussion about employing an Engineering Consultant be postponed until our next regular meeting. There were no objections.

VIII. New Business

A - The matter of the staff needing a heavy duty Back Hoe and Hammer was introduced. It was indicated that the present equipment is just not capable of handling the heavy duty encountered in working the blue rock. Although the present equipment can still be used, it should be supplemented by a heavy duty machine. With this introduction, a motion was made to acquire the heavy duty equipment when money for its purchase can be determined. See Motion #45 at the end of these minutes.

B - Steve McKinney briefly discussed the HOVE RMC 1998 Plan, emphasizing the changes that have ensued from last year's plan. Discussion was brief and the plan was accepted as presented. See Motion #47 at the end of these minutes.

IX. Adjournment

This meeting was adjourned at 6:01 PM.

Motions Considered During the October Board Meeting

#43 - It was moved, seconded and unanimously passed "that the Shop Generator be donated to the Ocean View Volunteer Fire Department".

#44 - It was moved, seconded and passed unanimously "that all items on the 'Obsolete Equipment List', with the exception of the above referred to Shop Generator, be put out for bid and early disposal".

#45 - It was moved, seconded and unanimously passed "that once money is available for the purchase of a new 'heavy duty Back Hoe and its accompanying Hydraulic Hammer', that we go to bid to acquire this equipment".

#46 - It was moved, seconded and unanimously passed "that Forty Percent of this year's Trust Fund Income be withdrawn to be used as a rebate of fees billed in 1999". Note the amendment established a withdrawal date.

#46-A - It was moved, seconded and passed unanimously "that Motion #46 be amended to establish a withdrawal date of Dec. 31, 1998 for the Fund Income".

#47 - It was moved, seconded and passed "that the 'H. O. V. E. Road Maintenance Corporation 1998 Plan' be accepted as presented".

Scorecard of Board Member Accountability

Motion	Self	Brum	Hagg	Harp	Jen	MCK	Swan
#43		Y	Y	Y	Y	Y	Y
#44		Y	Y	Y	Y	Y	Y
#45		Y	Y	Y	Y	Y	Y
#46		Y	Y	Y	Y	Y	Y
#46-A		Y	Y	Y	Y	Y	Y
#47		Y	N	Y	Y	Y	Y

H.O.V.E. ROAD MAINTENANCE CORP.
BOARD OF DIRECTORS MEETING
Tuesday, November 3, 1998

I. The meeting was called to order at 4:00 P.M. by President Steve McKinney. Also present were Vice-president Bob Self, Treasurer Frank Harper, Secretary Rex Brumley and board members Joe Jensen, Don Swangel, George Wallace and Tito Haggardt. Absent were Ken Arbo and Don Gilles. Mac Kaupu, Foreman and Jean Redman, Office Manager were also present.

II. Announcements -

A: Fog sealing of Hawaii Boulevard was postponed due to a problem with the oil distribution truck.

B: The Board was asked to be prepared for an executive session following the regular December meeting for the discussion of clothing allowance/Christmas bonuses for the employees.

C: The Volunteer Fire Department requested the donation of 30 yards of cinder for the installation of the septic system at the new fire station. Some discussion took place regarding the legality and Rex suggested that we check with our attorney. Jean Redman call Mr. Gianotti at that time and he indicated that there should be no problem with the request. Frank Harper moved that the Corporation donate 30 yards of cinder to the Ocean View Fire Department and George Wallace seconded the motion. All were in favor of the action. (Motion #48)

III. Minutes of the last meeting were accepted as sent to the Board members.

IV. Treasurer's report was presented by Frank Harper. Approximately \$888,500 has been collected to date (Jan.1 - Oct. 31). The budget looks good so far.

V. Frank Harper and Mac Kaupu discussed the Foreman's report and scheduling for the next month. The oil truck has parts ordered for the spray bar that broke and we should be back on line by Wednesday, November 11, 1998. Following the fog seal process, striping will be done to demarcate lanes and STOP intersections along Hawaii Boulevard and intersecting streets.

VI. Committee Reports - Tito Haggardt spoke on the Ocean View CDC regarding the water issue, and its connection with the road corporation. It is obvious that these two entities will have to work together if future piping of water is to take place within our road system.

George Wallace gave a report on the comments contained on the ballots that were recently sent out to the general membership. Many of the questions were repetitive while some contained concerns that may be addressed on an individual basis.

VII. Steve McKinney brought up the hiring of consultant Henry Otani under unfinished business. Henry has not come out to meet with Mac Kaupu yet regarding the Standard Manual that he had prepared and presented at the October 6th board meeting. Lengthy discussion regarding the quality of road work being done and the fact that we do not have an "expert" to inspect the work followed. While it was decided to hold off on adopting the manual because of some questions on its content, Frank Harper moved that the Corporation hire Henry Otani on a trial basis for 60 days to work with Mac and the crew. Joe Jensen seconded the motion. Rex Brumley indicated that he thought Mr. Otani's fee was too high and suggested that we try to hire him on a flat rate per day fee. Call for the vote ended in 6 yes votes with Rex voting no. (Motion #49) Steve will arrange a meeting with Mr. Otani.


VIII. New Business items discussed were a web page and offering office space to the OVDC. It was felt by most board members that any information that we can get out to the members would be beneficial, and with the vast number of people who are on-line, the web site could be a good source of information. Tito moved to have Thom Reece set up a web page for the corporation at a cost of \$149.50 for 1 year, Frank Harper seconded the motion. All in favor. (Motion #50) With regard to the office space for the Ocean View Community Development Corp., Frank Harper moved, George Wallace seconded, that the H.O.V.E.R.M.C. sub-lease a specified space on a month to month basis to the OVDC. Some board members voiced concerns about the possibility of the square footage "creeping" into more space, while others thought it would allow us to be more "community spirited". In favor were Rex, Frank, Joe and George, opposed was Bob with Tito abstaining. (Motion #51)

No bids were turned in for the obsolete road equipment, but a high bid of \$51 was accepted for the old Gateway CPU. Successful bidder was Jeannie Wilkison.

An informal discussion took place prior to adjourning that dealt with H.O.V.E.R.M.C.'s capability of giving money to the water project in Oean View. At this time the by-laws preclude such an action, but we will have our attorney look at the Articles of Incorporation and by-laws regarding a possible change to the purposes of the corporation.

The meeting adjourned at 5:40 P.M.

Respectfully submitted,
Jean Redman



Motions Considered During the November Board Meeting

#48 - Moved & seconded that 30 yards of cinder be donated and delivered to the Volunteer Fire Dept. for the installation of the septic system.

#49 - Moved & seconded to hire Henry Otani as consultant on a trial basis for 60 days.

#50 - Moved & seconded to have a web page designed for the corporation at a cost of \$149.50 for a One year period.

#51 - Moved & seconded to sub-lease a designated square footage in the office to the OV CDC on a month to month basis.

Scorecard of Board Member Accountability

Motion	McK	Brum	Hagg	Harp	Jen	Self	Swan	Wall
#48		Y	Y	Y	Y	Y	Y	Y
#49		N	Y	Y	Y	Y	Y	Y
#50		Y	Y	Y	Y	Y	Y	Y
#51		Y	A	Y	Y	N	Y	Y

H.O.V.E. ROAD MAINTENANCE CORPORATION
BOARD OF DIRECTORS MEETING
Tuesday, December 1, 1998

I. The meeting was called to order at 4:00 P.M. by President Steve McKinney. Officers present were Rex Brumley - Secretary, Frank Harper- Treasurer, and board members George Wallace, Joe Jensen, Don Gilles and Ken Arbo. Absent were Tito Haggardt, Don Swangel and Bob Self.

II. Minutes of the last meeting were approved with the following correction:
Paragraph VII: The trial period for hiring Henry Otani should read **1 year**, not 60 days.

III. Frank Harper gave the Treasurer's report.

IV. The Foreman's report was presented by Frank Harper and a discussion followed regarding fog sealing, and water vs. no water in the preparing of the base course for road rebuilding. Steve McKinney will ask Henry Otani to come out on December 16 or 17 to observe the crew in the chip sealing process.

V. Committee Reports - Rex Brumley, chairman of the Bylaws committee, reported that the newly revised Articles of Incorporation and Bylaws have been completed and are to be made available when they are copied.

Ken Arbo reported that the crew was having a problem with people not adhering to the placement of barricades while road work was in progress. Some suggestions by board members called for making signs that might say "CLOSED TO NON-RESIDENTS OF THIS STREET" or the purchase of DETOUR signs.

VI. At the last board meeting, there were no bids for the obsolete road equipment, but 3 bids came in over the past few weeks. Steve McKinney opened bids from Richard Crapsir for the 59 Chevy for \$300, Bob Rice with a bid of \$400 for the GMC truck and \$50 for the roller, and Steve Kuhnert with a bid of \$500 for the truck, roller and other assorted parts included. Frank Haper moved and Joe Jensen seconded accepting the \$500 bid from Steve Kuhnert. All in favor, with Don Gilles abstaining.

VII. New Business - Joe Jensen asked the board to consider giving office space, rent free, to the Ocean View Community Development Corporation (OVCDC). Frank Harper moved that the road corporation allow the OVCDC temporary shelter, rent free, for six months on a trial basis pending legal advise. Joe Jensen seconded. A discussion took place regarding amount of space to be allocated. Rex Brumley moved to amend the original motion to contain a 3 month term rather than 6 months. There was no second, therefore the motion died. On the original motion, the voting was Frank Harper and Ken Arbo in favor, Rex Brumley and Don Gilles against, George Wallace and Joe Jensen abstaining and President Steve McKinney breaking the tie with an "in favor" vote. The

motion carried. Our attorney will be contacted regarding the legality of possibly deferring rent or a nominal payment by the OVCD in relation to our Bylaws.

Steve McKinney spoke on the adoption of the Standard Manual that Henry Otani presented to the corporation at the October meeting. Frank Harper moved and Rex Brumley seconded the adoption of the manual in its current form. All were in favor.

Ken Arbo introduced a drawing of a proposed loft office space for the crew at the baseyard in the new addition. Discussion on this will be held over until the January meeting.

Frank Harper brought to the board's attention that there are forms available in the office should anyone notice potholes, signs down, or any other problem with the roads. These forms would then be given to Mac to correct. Ken Arbo suggested the use of specific equipment for patching potholes. He will get together with the crew soon to show them what could be done with a minimal amount of material and equipment on the back of a pick up truck.

The regular meeting then went into executive session to discuss clothing allowances and Christmas bonuses for the staff. The results were the same as the prior year, that is \$300 bonus with \$200 clothing allowance (payable upon producing receipts for work clothes) to each full time staff member.

The meeting adjourned at 5:40 pm

Jean Redman

John S. McKinney President

H. O. V. E. Road Maintenance Corporation

Annual Membership Meeting

HOVECA Community Center

Ocean View, HI.

Saturday October 10, 1998

Meeting Minutes

I. - Call to Order

The 1998 Annual Membership Meeting was called to order at 10:00 AM in the HOVECA Community Center in Ocean View. In the absence of Pres. Self, the meeting was presided over by Vice Pres. McKinney. The Board members present were -- Gillis, Bromley, McKinney, Harper, Haggardt and Jensen. Jean Redman, our Office Manager, represented our staff. There were only five members in our audience.

II. - Announcements

A - It was mentioned, again, that our Road Maintenance Corporation has moved to new quarters, but is still located in the Ocean View Town Center. Future Board meetings will be held in these new quarters.

B - Ballot results of the vote for new Board members were announced as follows:

Tito Haggardt	1582
Ken Arbo	1643
Don Gillis	1572
Joe Jensen	1596
George Wallace	1559

- The voting for the 1999 Budget and Road Plan was as follows: 1567 for & 220 against.

- The proposed change in the By Laws, to require all Board Members to be current in their assessments: 1811 yes & 33 no.

- In the matter of rescinding the By Laws change to allow the pursuit of "outside road work", the final tally was: 1464 yes & 390 no.

III - Minutes of Last Year's Meeting

The minutes of the October 11, 1997 General Membership Meeting were approved as presented.

IV - Treasurer's Report

Frank Harper reported that the collection of fees is on schedule, with 95.6% of the current budget having been received as of this date.

V - General Discussion

Only one member of the audience had questions for the Board. These ranged from specific maintenance problems, to the plan for future handling of the Trust Fund on through to if the Board had plans to reduce the size of the maintenance crew.

VI - Adjournment

This meeting was adjourned at 10:30 AM.

Note - At the adjournment, a Special Board Meeting was convened to seat newly elected Board Members and to elect officers for the coming year. See minutes of "Special Board Meeting", dated October 10, 1998.

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