

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
January 22, 2013 @ 10:00 a.m. in the RMC Office

I. QUORUM: Yes.

Present; President, Mike Finn; Secretary, Jim O'Hara; Director, Bruce Petrovic; Director, Mike Taylor; Director, Jim Steenburg
Excused; Treasurer, Kathy Garner

II. CALL TO ORDER: 10:00 a.m. by President Mike Finn.

III. ADOPTION OF AGENDA: Agenda will be adopted with the addition of an executive session at the conclusion of this meeting.

IV. APPROVAL OF MINUTES: 12/27/12 Minutes will stand as written.

V. REPORTS:

a. President's Report: I will be contacting Kyle Ikeda at HELCO to ask that they handle road traffic around or near down electric lines in HOVE.
The board has agreed that a meeting should be held with the trucking companies and their drivers that use HOVE roads. The purpose is to get started on an agreement to better regulate the heavy truck traffic on our roads. We will compile a list of trucking companies that should be contacted and set up a scheduled meeting.

b. Treasurer's Report: The year-to-date expenditures were \$885,467.27. Last month's assessment income was \$43,382.98 and the expenses for the month of December were \$38,700.24. We ended the year under budget by \$55,000.00. The complete Treasurers report is on file at the RMC office.

c. Office Report: The office has been very busy with the latest billing. Total amount billed out in 2012 was \$1,113,000.00. The total amount collected last year was \$1,182,000.00 which includes pre-payments and late fees.

d. Road Report: HOVE got in touch with the lot owners who own the property on Mahimahi with the black plastic rubbish that has been getting blown on to the roadway. The lot owner says he will have his son come out and clean it up.
The intersection at Lehua and Keaka has now become a 4 way stop due to the increase in traffic in that area.
The entrance signs have arrived and will be installed shortly.
We have 3 or 4 items of older road equipment that are not being used that we may want to consider selling.

VI. UNFINISHED BUSINESS:

a. Triple K Trucking: Triple K Trucking is addressing the problems concerning work on Tiki Lane.

b. Annual Assessment Mailing Letter Insert: The letter insert was finished and mailed along with the billings.

c. Security System: A security system for the office and maintenance complex is under review. .

d. Extra Storage Building: Big Island Containers Sales & Rentals, LLC, located in Hilo has 20' containers for sale. Used containers are \$3,650.00 and new containers are \$4,995.00. These prices do not include delivery.

MOTION: Jim O. made a motion to contact Kimo at Big Island Containers Sales, Rental & Leasing and offer him \$5000.00 for a brand new 20' container, delivered to our yard. Motion passed unanimously.

VII. NEW BUSINESS:

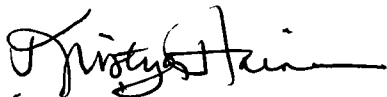
a. Tires: We will hold off ordering new tires for a month and bring this up for discussion at the next board meeting.

b. Paint: Paint has been ordered and will be delivered on Thursday.

c. Equipment: It was agreed that our road equipment upkeep is very important and will be done on a timely basis.

IX. ADJOURNMENT: Meeting adjourned at 11:17 a.m. by Mike Finn.

The next monthly Board Meeting will be held on Tuesday, February 26th, 2013 at 10:00am, in the RMC office building.

Minutes submitted by:  1/30/2013

Approved by:  Secretary 1/30/2013

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Saturday March 2, 2013 @ 10:00a.m. In the RMC Office
(Originally scheduled for Tuesday February 26, 2013)

I. QUORUM: Yes.

Present; President, Mike Finn; VP, Jim Steenburg; Secretary, Jim O'Hara; Director, Bruce Petrovic; Director, Mike Taylor
Absent; Treasurer, Kathy Garner

II. CALL TO ORDER: 10:00am by President Mike Finn.

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. APPROVAL OF MINUTES: 01/22/13 Minutes will stand as written.

V. REPORTS:

a. President's Report: We have been doing research on the possibility of using asphalt on our roadways. The results of this research should be available at the next Board meeting. Our GM is presently gathering bids for the 2013 road work and this information may be available at the next Board meeting.

b. Financial Report: The January assessment income was \$89,134.66. Of this, \$18,600.00 was from past due accounts. The expenses for the month were \$83,660.00. A full financial report is available at the office.

The meeting agenda was modified at this time to allow the guest in attendance to bring forth his concerns.

The guest is a representative from a local trucking company who questioned the special assessment (fine) charged to his company due to the damage done by one of his drivers to roadways and signs. He explained that the driver that had been responsible for the violations had been terminated. A discussion followed.

Motion: To cut the assessment (Fine) in half. If violations persist by this trucking company the full fine would be reinstated along with any additional fines.

Motion made by JO and 2nd by JS. Approved unanimously.

The financial report was then continued. A discussion ensued concerning the RMC insurance policies which is one of our largest expenses. One item mentioned is the \$12,500 per year we have been paying for a Liability Umbrella policy. In the discussion, the Board considered this duplication and is an unnecessary expense.

Motion: To cancel our Excess Liability Umbrella policy.

Motion made by JS and 2nd by BP. Approved unanimously.

The GM will analyze our insurance needs including what policies we have and make a report at an upcoming Board meeting.

c. Office Report: Collection payments are still coming in and we are receiving at least 300 to 500 payments per week for the current assessment.

d. Road Report: Patching potholes and safety painting have been ongoing. In the last 30 days \$8000.00 worth of paint has been used up and our supply is depleted. Comments received from Members have indicated that the lane striping and speed limit markings have made our roads safer. Repairs on the Trail King trailer are slow and on-going.

VI. UNFINISHED BUSINESS: None at this time.

VII. NEW BUSINESS:

a. The Ford Ranger truck is 12 years old and has lately required continuous repair work. It now appears to be in the need of more repairs.

Motion: Sell the 2001 Ford Ranger and have our GM investigate purchasing a new small truck. Motion made by JS and 2nd by BP. Approved unanimously.

VIII. GENERAL DISCUSSION:

a. **Speed humps & blocks at Kahuku Park:** A discussion was held regarding complaints received from a member about the speed humps at Kahuku Park. The consensus of the Board was that the existing roadway speed humps will remain by Kahuku Park for the safety of children in the area. The parking blocks that surround the circle forming a walkway divider would remain at present. It will be observed whether those responsible for weed control on the edge of the park will actually get it under control.

b. **Assessment & fees:** Assessment will most likely need to increase in 2014 to cover rising costs of oil. It was mentioned that a reasonable target would be to rework at least 10 miles of roads per year so as to be able to rework all roads in 15 years. Chip sealing now may cost \$80,000.00 per mile which equates to a required road budget of no less than \$800,000.00 per year. A discussion followed.

Motion: To raise the 2014 Road Assessments from \$99.00/year to \$120.00/year. A \$10.00 discount would still apply for early payment. The increase in income will go towards roadwork exclusively. Motion made by JO and 2nd by BP. Approved unanimously

c. **One-Way streets:** No further discussion at this time.

d. **Heavy truck traffic:** The Board will be inviting commercial trucking companies to a "talk story" at a future Board meeting.

e. **Illegal parking:** A discussion concerning parking on the roadways ensued. It was noted that the entry signs in HOVE now show "No Parking on Roadways" therefore all motorists should be aware of this rule. It was mentioned that parking well off the pavement was not the major problem. However, parking on the pavement is hazardous, especially on hills, and will be followed up on.

IX. ADJOURNMENT: Meeting adjourned at 11:23am by President Mike Finn.

The next monthly Board Meeting will be held on Tuesday March 26th, 2013 at 10:00am, in the RMC office building.

Minutes submitted by  Kristyn Haina

Approved by  Jim O'Hara, Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday March 26, 2013 @ 10:00 am In the RMC Office

I. QUORUM: Yes.

Present; President, Mike Finn; VP, Jim Steenburg; Secretary, Jim O'Hara; Director, Mike Taylor, Director, Bruce Petrovic
Absent; Treasurer, Kathy Gamer

II. CALL TO ORDER: 10:00 am by President Mike Finn.

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. APPROVAL OF MINUTES: 03/02/13 Minutes will stand as written

V. REPORTS:

a. President's Report: We met with a gentleman from Alaska who does chip-seal and is interested in possibly putting in a bid for road work. We are currently waiting to hear back from him for more information.

Several stop signs on King Kamehameha Blvd. as well as Lehua Lane have both been replaced due to someone intentionally running them over.

b. Financial Report: Triple K's rates are going up due to the increase in oil costs and the fact that his supplier Tesoro is closing their refinery. He would like to meet with the Board and discuss his latest job quote.

Assessment income has been coming in steady. This is the last week before the \$10.00 late fee is applied to the unpaid accounts.

The February assessment income was \$406,383.81. We should consider moving money from our Operating account into the Investment account to earn more interest. A meeting with Raymond James representative J. Ikeda will be set up sometime in the beginning of April to discuss this matter.

The section of the Earned Revenue of the financial report will be changed slightly effective with the March Financial report.

Professional fees in the amount of \$12,683.00 was spent for the 2008 audit. The 2009 thru 2012 audit is estimated to cost the corporation around \$20,000 to \$25,000 in professional fees. Once complete, we will be caught up with our audits and the Board is considering in-house audits in the future to save on costs.

c. Office Report: We are expecting \$12,500.00 in surplus funds from the County property tax sale auction. Past due assessment income for February was \$25,000.00 and Members were 63% compliant in assessment payments at that time.

d. Road Report: The crew has been out working on line of sight issues.

The Ford Ranger's registration and safety inspection are both due by the end of April. If the truck is not sold by then we should remove the insurance coverage and turn the plates over to the Department of Motor Vehicle Registration.

There is another type of sign post base available that we may want to try. It is called a Sonic Tube that runs 3 feet deep by 2 feet wide and weighs 1000 lbs. These may help to curb more destruction of our signs and poles.

MOTION: To try out several of these new sign post bases at bad areas.
Motion made by MT and 2nd by JS. Approved unanimously

We used \$8000.00 worth of paint during February and March, which figures at about \$700.00 per mile. Painting will be stopped for now and the crew will focus on potholes.

VI. UNFINISHED BUSINESS:

- a. **Triple K Trucking:** The latest bid from TKT is \$75,000.00 per mile of chip seal. We need to get more chip seal bids, we recently spoke to two other chip seal companies that mostly do private driveways and feel our roadway system is too large. We should get in touch with Tesoro and find out exactly what they are doing and when their refinery will be closing.
- b. **Security System:** The alarm switches are installed on all windows and doors and the motion detectors are almost finished, at this point.

VII. NEW BUSINESS:

- a. **Driveway Aprons:** A member who will be putting in a concrete driveway came into the office and wanted to know if he could tie his driveway into the roadway. After some discussion it was decided, that the GM will look into this and present her findings at the next board meeting.
- b. **Chip seal vs. fog seal:** Moved until the next board meeting.
- c. **Asphalt bid:** Way to expensive, we cannot afford it.
- d. **Road Painting:** This is costing \$700.00 per mile as mentioned in the road report.

VIII. GENERAL DISCUSSION:

- a. A discussion was held concerning permitting Commercial Vehicles and cost of permit.

MOTION: Set the cost of a permit at \$250.00 per vehicle over 10 tons gwr, per year, for commercial haulers.

Motion made by JS and 2nd by BP. Approved unanimously.

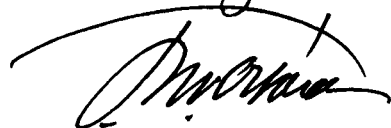
(Note: Our new road entry signs specify the 10 tons gwr).

IX. ADJOURNMENT: Meeting adjourned at 11:26 am by President Mike Finn.

The next monthly Board Meeting will be held on Tuesday April 23rd, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:  Kristyn Haina

Approved by:



Jim O'Hara, Secretary

**H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday April 23, 2013 @ 10:00 am in the RMC Office**

I. QUORUM: Yes.

✓ Present; VP, Jim Steenburg; Secretary, Jim O'Hara; Treasurer, Bruce Petrovic.
Also Present: RMC GM Laura Foster.
Absent; President, Mike Finn; Director, Mike Taylor (Both Excused).

II. CALL TO ORDER: 9:55 am by VP Jim Steenburg.

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. APPROVAL OF MINUTES: 03/26/13 minutes will stand as written.

V. REPORTS:

a. President's Report: At an Executive Session held on April 7, 2013, the Board accepted Kathy Garner's resignation and elected Bruce Petrovic to fill the position of Treasurer.

b. Financial Report: March assessment income was \$228,024.74.

We have finally received the \$12,445.00 check from the County of Hawaii that was due from a Property tax sale held in 2011.

The office staff has been making inquiries into 3 different merchant service companies in an effort to reduce fees and increase efficiency. The office staff will be putting together a spreadsheet to make it easier to understand the proposals from the different companies.

✓ Because of FIDC rules, whenever our checking account gets over a certain amount, we have to transfer funds to our investment account. Excess funds have been transferred as required. The RMC checking account has still more than enough to cover daily expenses.

A discussion was held concerning our Sage accounting services (Mas90). The GM stated that some unnecessary frills have been eliminated from the plan, lowering the cost, and recommends to the Board to approve a 1 year extension of the service.

MOTION: To approve payment to Sage for 12 months.

Motion made by BP and 2nd by JO. Approved unanimously.

c. Office Report: The March 31st assessment payment deadline has passed and the past due notices have been sent out. Collection of past due accounts continues vigorously.

The auditors were at our office on April 18th and 19th. The projected audit completion date is now May 15th.

The County of Hawaii has 17 H.O.V.E. properties up for auction at their next tax sale on May 30, 2013. These auctions are held because of delinquent payment of property taxes.

d. Road Report: The crew has been out filling potholes and patching and is continuing with the up keep of our equipment.

VI. UNFINISHED BUSINESS:

✓ **a. Triple K Trucking:** After much discussion it was decided to hold off on making any more decisions about the road work until the next board meeting.

MOTION: To put this subject on hold until the next board meeting.

Motion made by JO and 2nd by BP. Approved unanimously.

- b. Chip Seal vs. Fog Seal: Subject covered with Triple K Trucking.
- c. 2013 Road Plan: Subject covered with Triple K Trucking.
- d. Security System: The office alarm system is up and running.
- e. 1st Draft drive-way tie in: The draft looks good and it will now be finalized.

VII. NEW BUSINESS: None.

VIII. GENERAL DISCUSSION: Items for next month's agenda. Add road work and permitting of the overweight trucks to unfinished business.

MOTION: To adjourn.

Motion made by JO and 2nd by BP. Approved unanimously.

IX. ADJOURNMENT: Meeting adjourned at 11:02 am by Vice President Jim Steenburg. The next monthly Board Meeting will be held on Tuesday, May 28, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:  Kristyn Haina

Approved by:  Jim O'Hara, Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday May 28, 2013 @ 10:00 am in the RMC Office

I. QUORUM: Yes.

Present; President, Mike Finn; VP, Jim Steenburg; Director, Mike Taylor, Director, Bruce Petrovic
Absent; Secretary, Jim O'Hara
Jim O'Hara has been excused and Jim Steenburg has been appointed standing secretary.

II. CALL TO ORDER: 9:57 am by President Mike Finn.

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. APPROVAL OF MINUTES:

04/23/13 Minutes will stand as written
05/12/13 Minutes will stand as written

V. REPORTS:

a. President's Report: No report.

B. GM Report:

- **Financial Report:** Financially we are in fine shape. There were no large expenditures in April. At this time there are enough funds to complete scheduled road work and operations for the remainder of the year. A full financial report is on file at the office.
- **b. Office Report:** On Thursday May 30th the County of Hawaii property tax auction will be held in Hilo, there are currently 21 properties up for auction from the HOVE subdivision. The GM will be attending this auction to see if these properties sell and if HOVE RMC will be receiving any surplus funds. There were 963 past due payments received for a total of \$22,000.00.
- **c. Road Report:** Due to the increase in rain the crew has been busy mowing and patching. They have been busy sanding, rustproofing and painting some of the old equipment. The trail king trailer is ready for the new decking.

VI. UNFINISHED BUSINESS:

a. Road Work: We will possibly be using Triple K Trucking for the upcoming road work; our crew will be working with them closely.

b. Audits: The audit is a day away from being completed. We will be adding TIH to next month's agenda as they are planning on coming from Hilo to meet with the BOD.

c. Special Assessment Heavy Vehicles: The letter to be sent to the truck companies and/or drivers is currently being drafted.

VII. NEW BUSINESS:

a. Tires Cat Loader:

MOTION - To purchase the tires needed for the loader and mower. Motion made by PB and 2nd by MT. Passed unanimously.

b. Stop Sign Aloha-Lehua: Due to safety issues the board has discussed making Aloha Blvd. a 4 way stop at Lehua Lane.

MOTION - To install the proper signage and convert Aloha/Lehua intersection into a 4-way stop. Motion made by PB and 2nd by JS. Passed unanimously.

VIII. GENERAL DISCUSSION:

A discussion was held in regards to the newsletter asking all board members to participate with input.

IX. ADJOURNMENT: Meeting adjourned at 11:12 am by President Mike Finn.

The next monthly Board Meeting will be held on Tuesday June 25th, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:  Kristyn Haina

Approved by:



Jim Steenburg, acting Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday June 25, 2013 @ 10:00 am in the RMC Office

I. QUORUM: Yes.

Present; President, Mike Finn; VP, Jim Steenburg; Treasurer, Bruce Petrovic; Secretary, Jim O'Hara; Director, Mike Taylor

II. CALL TO ORDER: 9:50am by President Mike Finn.

III. ADOPTION OF AGENDA: Add the subject of the stop signs to unfinished business.

IV. APPROVAL OF MINUTES: Minutes were approved with the exception that the discussion of the concrete sonotubes be added to the May 28th minutes.

V. SPECIAL GUEST: We welcome our special guest, Gregg from TIH. He came over from Hilo to give the board an oral report on the current audit. He reports that all in all management is doing a good job.

VI. REPORTS:

A. President's Report: Sonotubes have been located locally at White Cap in Hilo one tube can be cut into 4 molds. We will be meeting with another company that does chip seal road work.

B. GM Report:

a. Financial Report: The income for the month was \$57,205.00. We are at 83% compliance. Good job. Patching is costing HOVERMC roughly \$2000.00 per month. The office staff is very pleased with the outcome of the audit and happy that we are now current with our audits.

b. Office Report: We are switching over to a new merchant service account that can be integrated with our accounting software. With this new service the process of handling assessment payments will be much quicker and smoother. We will continue using PayPal at our website however we will no longer accept credit card payments made through the mail.

c. Road Report: The crack sealing appears to be working well. We may want to consider investing in a crack sealer applicator machine which can cost between \$1000.00 and \$1300.00. With this machine we can order the crack sealer in a 30lb. block. The blocks are available by the pallet. Currently the crew is applying the crack sealer by using a bucket and a squeegee. More information will be available at the next Board Meeting. A test run for weed control has been done on an area of weeds using a bio-degradable product. If it works it will be a huge savings for the corporation and its members. We recently received the 6 new tires that were approved at the last Board meeting, 2 for the tractor and 4 for the cat loader at a cost of \$9508.00. Now the loader needs new windows and cutting blades.

VII. UNFINISHED BUSINESS:

a. Road Work: As mentioned in the Presidents report a company that does chip seal is interested in giving us a quote for road work. In doing research stop signs can be moved farther away from the roadway. Therefore we will not need the sonotubes at this time.

MOTION: To rescind the motion made at the March 26th meeting "to try out several of the new sign post bases at bad areas." Motion made by JO and 2nd by JS. Approved unanimously.

Before Lehua Ln. and Aloha Blvd. can be turned into a 4 way stop we need to place an order for signs. Once the signs are received the changes will be made. For safety reasons discussion was made to turn Hawaii Blvd. and Princess K Blvd. into a 3 way-stop.

VIII. NEW BUSINESS:

a. **Newsletter:** After a lengthy discussion about the by-law changes to be presented to the members in the newsletter a motion was made.

MOTION: To accept the by-law changes to be presented in the membership letter for the members. Motion made by JO and 2nd by MT. Approved unanimously.

IX. GENERAL DISCUSSION: None

X. ADJOURNMENT: Meeting adjourned at 11:26am by President Mike Finn.

The next monthly Board Meeting will be held on Tuesday July 23rd, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:



Kristyn Haina

Approved by:



Jim O'Hara, Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday, July 23, 2013 @ 10:00 am in the RMC Office

I. QUORUM: Yes.

Present: President, Mike Finn; Treasurer, Bruce Petrovic; Secretary, Jim O'Hara.
Absent: VP, Jim Steenburg (Excused); Director, Mike Taylor (Unexcused).
Also Present: GM, Laura Foster.

II. CALL TO ORDER: 10:04am by President Mike Finn.

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. APPROVAL OF MINUTES: June 25, 2013 minutes will stand as written.

V. REPORTS:

President's Report: Yamada got in touch with us and is very apologetic for not getting together with the GM to discuss a bid for road work. They have been busy with other projects. Simmons will be providing a bid soon.

GM Report: The income for the month was \$33,500.00. Although payments coming in have tapered off we are at 85% compliance and well within our budget. There are 437 accounts which account for \$740,000.00 in back maintenance fees.

The office is now up and running with Sage Payment Solutions which will replace merchant services.

We now have the ability to take E-Checks, American Express and Discover over the phone, at the office or at our website along with Visa and MasterCard. PayPal is still available at our website. The Newsletter envelopes are here and with the help of a few part timer workers we will begin the labeling and mailing process on July 29th. Well ahead of schedule.

We received the wooden planks for the trailer and the crew is in the process of re-building the deck, it's looking good.

Crack sealing seems to work better being applied by hand rather than machine.

HOVERMC may want to consider purchasing a kettle for keeping the road oil at the right application temperature.

VI. UNFINISHED BUSINESS:

a. Road Work: Discussed earlier in reports.

b. Newsletter: Copies of the final Newsletter were handed out. Several minor typos were noted and corrected.

MOTION: To approve the newsletter. Motion made by BP and 2nd by MF. Passed unanimously.

VII. NEW BUSINESS: None

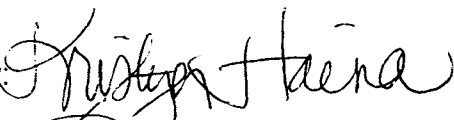
VIII. GENERAL DISCUSSION: All road equipment is being started and moved at least twice a month for general upkeep.

Hiring part time workers for the Newsletter mailing process. It was agreed that this was the General Managers responsibility and did not need BOD approval.

X. ADJOURNMENT: Meeting adjourned at 10:40am by President Mike Finn.

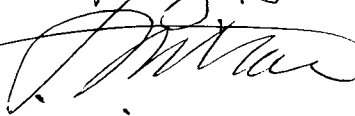
The next monthly Board Meeting will be held on Tuesday August 27th, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:



Kristyn Haina

Approved by:



Jim O'Hara, Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday August 27, 2013 @ 10:00 a.m. in the RMC Office

I. QUORUM: Yes.

Present: President, Mike Finn; VP, Jim Steenburg; Treasurer, Bruce Petrovic; Secretary, Jim O'Hara
Director, Mike Taylor.

Also Present: GM, Laura Foster.

II. CALL TO ORDER: 9:55 am by President Mike Finn.

III. ADOPTION OF AGENDA: The Agenda will stand as written.

IV. APPROVAL OF MINUTES: The July 23, 2013 minutes will stand as written.

V. REPORTS:

President's Report: We have received one written quote for road work. This subject will be discussed under unfinished business

G M Report: Collections are going well. The earned revenue for the month was \$41,000.00. Expenses for the month ran about \$60,000, a little more than last month. The bulk of the expenses were \$2000.00 for road paint and \$26,000.00 that was paid to the auditors for the 2012 audit. We are using a new company for our merchant services. Under this new plan our cost for accepting credit cards and checks electronically has been cut in half and has also saved time for the office staff. The 2014 Newsletter is in the mail. It took only 4 days from the time the Newsletters were picked up from the printer until the office staff had them labeled, stuffed and ready for drop off at the Post Office. A total of 7,065 Newsletters went out in the mail August 13th on schedule. The BOD commends the Office Staff for a job well done. The total cost for printing and mailing this year was \$8,725.00. The intersection at Lehua Lane and Aloha Blvd. is now a 4-way stop. Most drivers are obeying the new traffic pattern. The crew is continuing with road painting, patching and weed control. They are also working on the maintenance and repair of our road equipment.

VI. UNFINISHED BUSINESS.

Over Weight Vehicles: A plan was presented to require a permit, effective January 1, 2014, for all trucks rated over 10 tons GVWR utilizing HOVE roads. A letter will to be sent out to companies affected by this new requirement who will have 30 days to voice their comments to the BOD.

MOTION: Accept the yearly fee amount of \$1250.00 for truck permits. Motion made by JS, 2nd by BP. Passed unanimously.

Parking: New rules for parking in HOVE were presented. These rules include no parking within 100ft of an intersection. We shall begin using these rules and send them to any vehicle owner or lot owner with a violation. All members will be notified of the new rules in the January billing.
1st offense - Warning, 2nd Offense - \$50.00, 3rd Offense - \$250.00.

MOTION: Accept the Parking Rules as written. Motion made by MT, 2ND by BP. Passed unanimously.

Road Work: We have received one bid for the planned 2013 road work and are expecting a few more any day now. A decision will be made within 2 weeks. A discussion followed on planned road work.

New Equipment: Held over for further discussion.

VII. NEW BUSINESS.

Raymond James Accounts: The GM gave a report on our present RJ accounts and made recommendations to combine our three accounts into two. This would save considerable time spent each month on reconciliation of the accounts. The Operating and the Investment fund would be combined into one account and the Restrictive fund would remain the second account.

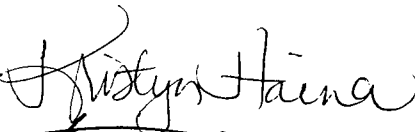
VIII. GENERAL DISCUSSION. A short discussion was held on the status of Union Training for our crew and progress of the crew CDL licensing.

The upgrade of our road signs to show applicable ordinance numbers was discussed.

IX. ADJOURNMENT. The meeting was adjourned at 11:07 am by President Mike Finn.

The next monthly Board Meeting will be held on Tuesday September 24th, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:



Kristyn Haina

Approved by:



Jim O'Hara, Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday September 24, 2013@ 10:00 am in the RMC Office.

I. QUORUM: Yes.

Present: VP, Jim Steenburg; Treasurer, Bruce Petrovic; Secretary, Jim O'Hara

Absent: President, Mike Finn; Director, Mike Taylor.

Also in Attendance: GM, Laura Foster and two guest members.

II. CALL TO ORDER: 10:07 am by VP, Jim Steenburg.

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. APPROVAL OF MINUTES:

Board Meeting: Tuesday August 27, 2013 minutes will stand as written.

Special Meeting: Wednesday September 4, 2013 minutes will stand as written.

Special Meeting: Wednesday September 11, 2013 minutes will stand as written.

V. REPORTS:

President's Report: In the Absence of the President, there is no report this month.

G M Report: HELCO was contacted about planned new poles on Hukilau that would be on the road pavement. They have agreed to to reset the location of the poles. Our financial status is in good shape and there is no problem in covering the upcoming road work.

We have received 1,025 ballots so far which is more than the requirement for a quorum.

The crew is currently working on Outrigger tending to pot holes and rubbish.

The decision on whether to lien member properties for non-payment at 2 years instead of 3 years is an ongoing topic for discussion. Liens protect HOVE in the matter of collecting on past due assessments and fees when the owner decides to sell, goes through bank foreclosure or County auction.

The school bus that has been parking on Donala Lane has been moved and will no longer be a problem.

VI. UNFINISHED BUSINESS:

New/Used Equipment: GP Roadway has a crack sealing machine that they purchased brand new in 2005 and are no longer using and have given us a price of \$12,000.00 if we were interested in buying the machine. The unit has 300 working hours on it and it is in good condition. The BOD would like to see photos of this machine and have someone go inspect it before making any decisions.

Triple K Trucking has committed to 4 miles of roadwork in HOVE beginning in October. There will be a 1.2 mile trial run before HOVE will contract to Triple K Trucking for the remaining 2.8 miles.

A letter is being drafted to notify those who will be affected by the up-coming road work. This letter will inform the members that the road will be closed for 2 days with traffic limited to homeowners only and to use the shortest route to their driveway.

The scheduled road work is for 1.2 miles on Outrigger Drive, 2.5 miles on Koa Lane and .3 of a mile on Paradise Parkway below the circle.

MOTION: To approve the \$30,000 needed for the contractor to purchase the initial tank of oil to start work on Outrigger. Motion made by BP, 2nd by JO. Motion passed unanimously.

VII. **NEW BUSINESS:** None.

VIII. **GENERAL DISCUSSION:**

Over Weight Vehicles: The letter going out to commercial truckers has been approved and signed by the President. The BOD wants to go ahead with the mailing of this letter.

Road Work: Chip sealing on Outrigger will commence in the first part of October. Our crew will be operating machinery with the contractor during chip sealing process for additional training.

Special Assessment Heavy Vehicles: Covered with overweight vehicles.

News Letter: It has been nice to see that the amount of negative comments have gone down considerably this year from previous newsletter mailings.

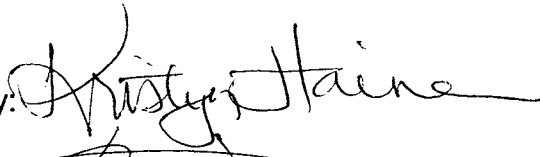
One of the guest Members brought forth to the Board that persons were discharging firearms on the HOVERMC Roadways. The purpose apparently was to eliminate wild pigs and it took place in the vicinity of Coral and Leilani. The RMC Board considers this a serious safety matter but they are not empowered to deal with this type of occurrence. It was suggested that the member notify the Police and possibly discuss it with the OVCA and Neighborhood watch.

Another Guest Member brought up the fact that Water Haulers were still operating outside posted hours. This problem is on King Kamehameha Blvd. with truckers using noisy jake brakes and exhaust systems. She was advised by the Board that a letter was going out shortly to all truckers in regards to this matter. The members might also call the police regarding these violations when they take place.

IX. **ADJOURNMENT:** Meeting adjourned at 10:57am by VP, Jim Steenburg.

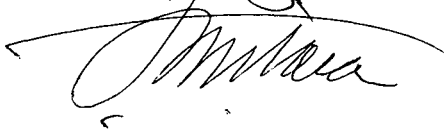
The next monthly Board Meeting will be held on Tuesday October 22, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:



Kristyn Haina

Approved by:



Jim O'Hara, Secretary

**H.O.V.E. Road Maintenance Corporation
Annual Membership Meeting
Saturday, October 12, 2013 @ 10:00 am in the Ocean View Community Center**

I. QUORUM: Yes.

Present: VP, Jim Steenburg; Secretary, Jim O'Hara; Director, Mike Taylor.

Absent: President, Mike Finn; Treasurer, Bruce Petrovic.

Also in Attendance: GM Laura Foster, 2 RMC staff personnel and 21 Members.

II. CALL TO ORDER: 10:01 am by VP, Jim Steenburg.

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. LAST CALL FOR VOTING: Only one person was still voting.

V. REVIEW OF THE PAST YEAR AND THE 2014 ROAD PLAN.

The Board Members present were introduced by the GM.

A brief description of the road work that was accomplished this year was given. It was brought out that paint was costing us about \$800.00 per mile for each stripe on the roads. We are spending about \$2000.00 a month repairing pot holes. Another costly item is replacing signage due to careless drivers or just plain vandalism.

The major road work has just began that will consist of chip sealing 4 miles of road costing over \$300,000.00 dollars. Work is to be accomplished on Outrigger and Koa which are both in poor condition. Work should be done within 4 to 6 weeks. With remaining budgeted funds we are planning on up to 10 miles of fog sealing. Next year will comprise of further chip seal of bad sections of road and up to 30 miles of fog sealing. It was brought out that we have 157 miles of roadways, 356 intersections and we maintain over 810 signs.

A dissertation was given as to where and how funds were spent on the roadwork and that the additional funds realized from the assessment were planned for roadwork only.

VI. 2014 BUDGET:

It was noted that our total budget for road work for 2014 is up \$273K from last year. This addition is from other areas of the budget, funds received from accrued interest and from the assessment increase. We are operating with two persons on the road crew, two full time office workers and one part time collection person. The collections have been done very effectively as we now have a very small percentage of the membership that are behind in their assessments.

VII. VOTING RESULTS: The vote tally was given by the GM. These are the preliminary results as the ballots received today will be tallied by the counters and a complete, signed report is scheduled to be received on October 16. There were 7,065 ballots mailed at a cost of approximately \$8,000.00 for mailing. There were 121 ballots returned non-deliverable.

All Board candidates were elected. Jim O'Hara; 1648. Mike Taylor; 1598. Jim Steenburg; 1776.

Approval of the 2014 Budget: Yes: 1519. No: 297.

Approval of the Road Plan: Yes: 1611. No: 209.

Bylaws Sec. 9.4, Audit: Yes: 1488. No: 339.

Bylaws Sec. 9.10, Parliamentary Authority: Yes: 1564. No: 260.

Bylaws Art I, Definitions: Yes: 1644. No: 149.

Bylaws Art II, Membership: Yes: 1683. No: 136.

VIII. ADJOURNMENT: The meeting was adjourned at 10:25 am by VP Jim Steenberg.

IX. OPEN FORUM. A period for the members present to ask questions and give input followed.

How do you plan on assessing the trucking companies? And how will this affect the property owners?
The BOD has come up with a special assessment for trucking company's that operate in HOVE. Any truck weighing over 10,000 gwr will be assessed a fee to help cover the costs of the upkeep and the damage done to the roadways. There are three categories in which they will fall under. The highest fee was based on 4 trips a day for 300 days per year and equates to \$1.00 a trip. More information is available at the office. As far as the effect on the property owners, that will depend on whether the individual companies pass this minor fee on to the Members. It's also a plus for all Members as this assessment will help in funding road repair for damage caused by the heavy trucks.

What are the hours for hauling and deliveries in HOVE?

7 am thru 5 pm. Members who observe this rule being broken are encouraged to call the police or the trucking company and file a complaint.

How will HOVE RMC enforce the payment of the special assessment?

If the trucking company has property in HOVE, and refuses to pay their fees, they may have a lien placed on their property. Truckers who don't own HOVE property may be taken to small claims court.

Is the Road Assessment going to increase in 2014?

Yes. It will be \$120.00 if paid on time. If paid early, before 02/28/2014, you will pay only \$110.00.

How much does road work cost and does it warrant an increase in the assessments?

Yes. Prices continue to rise and 4 miles of chip seal costs an average of \$300,000.00. At 4 miles a year it will take 39.25 years to complete the whole subdivision. More miles per year are a must.

Who counted the ballots?

Ballots were mailed to the BOD address and logged on a roster sheet. They were then sent unopened to the non-profit organization, Ka'u Scenic By-ways, for the actual count and tally. No one associated with HOVERMC or any HOVE Member was involved with the count.

Where does the investment income come from?

Most of the income is the interest made on the funds in the Restricted Account that is set forth in our Articles of Incorporation. This interest income is used for road work only and the funds in the Restricted Account are to be used only in case of an emergency.

Can we come up with other ways of getting income rather than raising the assessments?

One area we are looking into is a grant writer to assist us. Grants could bring in more income.

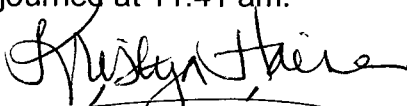
When do you hold your monthly Board Meetings?

They are held on the fourth Tuesday of every month at 10 am at the HOVERMC office on Lehua Lane.

The Open Forum was adjourned by VP Jim Steenburg at 11:28 am.

A short Board Meeting was called to order immediately after the Membership Meeting by VP Jim Steenberg for the purpose of the election of Officers for 2014. JO made a motion that the officers holding the present positions on the Board be re-elected to those positions. 2nd by MT. Motion approved. Meeting adjourned at 11:41 am.

Minutes submitted by:



Kristyn Haina

Approved by:



Jim O'Hara, Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday October 22, 2013 @ 10:00 am in the RMC Office

I. QUORUM: Yes.

Present: President, Mike Finn; VP, Jim Steenburg; Secretary, Jim O'Hara.

Also in attendance: GM, Laura Foster and 2 RMC Members.

Absent: Treasurer, Bruce Petrovic; Director, Mike Taylor.

II. CALL TO ORDER: 10:02 am by President, Mike Finn.

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. APPROVAL OF MINUTES:

Board Meeting: Tuesday, September 24, 2013 minutes will stand as written.

Executive Session: Tuesday, September 24, 2013 minutes will stand as written.

Annual Membership Meeting: Saturday, October 12, 2013 minutes will stand as written.

At this time the Board heard from the two members present who came to ask questions and offer some suggestions. Their questions were answered by the Board and their suggestions were duly noted. This discussion attributed to the somewhat lengthy meeting time.

V. REPORTS:

President's Report: The President has just returned from the mainland therefore he has no report for this meeting.

GM Report: Expenditures were a little higher this month due to the cost of \$30,000.00 for oil to begin the road work on Outrigger and we also purchased \$2000.00 of cold patch. The crew is crack sealing with a hot pot at this time while working on Outrigger. The GM and crew contend that it would benefit the Corporation to purchase a crack sealer machine to cut costs on the repair and upkeep of cracks in the roadways. One is available in Honolulu at a good price and it was agreed that we need someone to inspect the machine before a decision was made to purchase. Crack sealing is considered an important element that improves the longevity of our roadways.

A short discussion ensued in regards to the RMC Costco membership fees. As purchases can be made with the RMC debit card it was decided to drop the Costco card.

There were 15 ballots received at the Annual Membership meeting and the final ballot count has reflected this addition. A certified copy of this final count is now available to view in our office and on our web page.

VI. UNFINISHED BUSINESS: None at this time.

VII. NEW BUSINESS: In doing research it has been determined that there has never been a motion authorized by the Board, and approved by the Membership, that authorized any agreement to allow lot 50 (the subdivision located above HOVE) access into our road system. Lot 50 has now been subdivided into nine (9) lots and eight (8) unauthorized access points have been created into the HOVE road system. We have never received any road maintenance fees or payment for damage to our roads by lot 50. It was suggested that before any agreement is signed, the owner(s) should be assessed retroactively for the 9 lots and pay for all damage caused by their equipment at the ends of the HOVE roads. Any agreement should include a stipulation on lot usage, fees and road entry points.

MOTION: Send a letter to the owner of the nine lots subdivided from lot 50 regarding this matter.

Motion made by JS and 2nd by JO. Motion passed unanimously.

VIII. GENERAL DISCUSSION: We have received one bid and are currently waiting on other bids to accomplish the necessary repair work on the deteriorating roof of the maintenance building.

IX. ADJOURNMENT: Meeting adjourned at 11:49am by President, Mike Finn.

The next monthly Board Meeting will be held on Tuesday November 26, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:



Kristyn Haina

Approved by:



Jim O'Hara, Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday November 26, 2013 @ 10:00 am in the RMC Office

I. QUORUM: Yes.

Present: President, Mike Finn; VP, Jim Steenburg; Secretary, Jim O'Hara; Treasurer, Bruce Petrovic

Also in attendance: GM, Laura Foster

Absent: Director, Mike Taylor

II. CALL TO ORDER: 10:05 am by President, Mike Finn

III. ADOPTION OF AGENDA: Agenda will stand as written.

IV. APPROVAL OF MINUTES:

Board Meeting: Tuesday, October 22, 2013 minutes will stand as written.

Annual Meeting: Saturday, October 12, 2013 Annual Meeting Minutes will be corrected to reflect the meeting held to elect the Officers of the corporation.

Officers are: President; Mike Finn, Vice President; Jim Steenburg, Secretary; Jim O'Hara, Treasurer; Bruce Petrovic, Director; Mike Taylor.

MOTION: Accept the change to the minutes of the October Membership Meeting to include the meeting after the meeting. Motion made by JO, 2nd by JS. The Motion passed unanimously.

V. REPORTS:

President's Report: The President and the Managing Director went and inspected the road work that is being done by Triple K. and our crew. They were satisfied with the overall outcome.

General Report:

Our collections clerk was able to collect \$24,000.00 in past due assessments, which at this time of the year is outstanding. Board members feel that changes need to be made to the presentation of the financial report changes will take effect at the next board meeting.

The office staff has been working on a new statement format for the upcoming billing year in hopes that members will have an easier time understanding their bill.

The crew has been working earlier in the mornings to avoid the afternoon rain and mist. The crew and Triple K. are working well together and the roadwork is progressing smoothly.

VI. UNFINISHED BUSINESS:

Road Work: MOTION: We continue with Triple K. and complete the scheduled road work. Motion made by JS, 2nd by BP. The Motion passed unanimously.

Crack Pro 400: A Crack Pro 400 was purchased on October 29, 2013 and was picked up in Hilo on November 19th, 2013. The Crack Pro will be used on the roadwork scheduled for Koa Lane. Approval of the Board was obtained by electronic transmission.

Lot 50: The owners of Lot 50 are willing and ready to work this situation out. After a lengthy discussion it was decided that this matter needed more research and discussion. The Board will be meeting on Tuesday December 3rd, 2013 at 10:00am to further discuss this matter.

(Note: This meeting was later re-scheduled for Saturday December 7th, 2013 at 10:00am.)

Special Assessment: The special assessment procedures for the Heavy Vehicles are set in place and ready to be implemented.

VII. NEW BUSINESS:

Roof coating on shop building: Four bids have come in for the roof coating of the shop. We need to make sure all bidders have liability coverage as well as a contractor's license. No decision was made at this time.

Board letter to go with annual billing: Topics suggested for the letter insert are final voting numbers, road work, board member recruits and special assessments to name a few. Closing date for input is December 24th, 2013. The letter must be completed and ready for printing no later than January 3rd, 2014.

Speed humps at the park: The speed humps will remain at the park as it would require tearing up and repaving the roadway.

The weeds around Paradise Circle have gotten out of control. An agreement had been made with the Friends of Kahuku Park that they were going to maintain the weeds. If the crew has to go and mow the circle the yellow concrete curbs will be removed.

VIII. GENERAL DISCUSSION: There is an encroachment issue on Catamaran that needs to be addressed. A letter will be sent to the responsible lot owner in regards to this. The General Managers title has been changed to Managing Director.

IX. ADJOURNMENT: Meeting adjourned at 11:34am by President, Mike Finn.

The next monthly Board Meeting will be held on Tuesday December 24, 2013 at 10:00 am, in the RMC office building.

Minutes submitted by:



Kristyn Haina

Approved by:



Jim O'Hara, Secretary

H.O.V.E. Road Maintenance Corporation
Monthly Board Meeting
Tuesday December 24, 2013 @ 10:00 am in the RMC Office

I. QUORUM: Yes.

Present: VP, Jim Steenburg; Treasurer, Bruce Petrovic; Secretary, Jim O'Hara.

Absent: President, Mike Finn (excused); Director, Mike Taylor.

Also in attendance: Manager, Laura Foster

II. CALL TO ORDER: The meeting was called to order at 9:58 am by VP, Jim Steenburg.

III. ADOPTION OF AGENDA: The Agenda was unanimously approved as distributed.

IV. APPROVAL OF MINUTES:

Board Meeting: The minutes from the 11/26/13 meeting were unanimously approved as distributed.

V. REPORTS:

President's Report: Due to a prior appointment the President is unable to attend this meeting. Therefore, there is no report.

General Report: We will end the year \$100,000.00 under budget given that the fog sealing was not completed in 2013 due to wet weather. It will be finished early in 2014.
Come January 1st, 2014, HOVERMC will have \$40,000.00 in insurance premiums due. We may have to transfer funds from the Raymond James Operating Account into the checking account to help cover the day to day cost for the month of January.
The office staff has been preparing for the 2014 annual billing and has also created a more "member friendly" billing statement.

VI. UNFINISHED BUSINESS:

Road Work: Three intersections and a ½ mile of chip seal and fog seal have been completed on Koa Lane between Kailua Blvd. and Princess Kaiulani Blvd.

Lot 50: This topic will be carried over to the February 25th Board Meeting.

Special Assessment: Kaupu Earthworks is the first company to come in and pay for their Heavy Vehicle Permit. Their truck is classified as a category 2 commercial user.

Roof Coating: We are hoping that repairs on the maintenance building roof will be complete by the 1st of the New Year. The topcoat and skylights are the remaining tasks.

News Letter: The letter that will be inserted along with our annual billing is complete and ready to be printed.

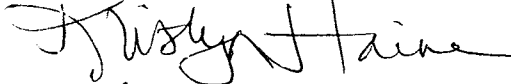
VII. NEW BUSINESS: No new business at this time.

VIII. GENERAL DISCUSSION: Merry Christmas!

IX. ADJOURNMENT: Meeting was adjourned at 10:21 am by VP, Jim Steenburg.

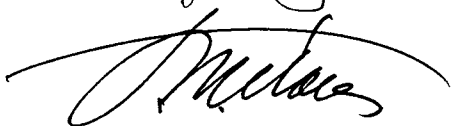
The next Board Meeting will be held at 10:00 am on January 28, 2014, at the HOVERMC office.

Minutes submitted by:



Kristyn Haina

Approved by:



Jim O'Hara, Secretary