

## **2022 Annual Newsletter, with 2023 Budget, and Election Ballot**

### BOARD OF DIRECTORS – OUR CURRENT VOLUNTEERS

Roy Thornton, President

Curt Holyk VP

Chris Pinnow, VP Legal

Gabe Hechler, Secretary

Mats Fogelvik, Treasurer

Peter Bosted, Office of Director

Honorary Mike Gerbo, Office of Director

Dahlia Kala, Office of Director

### **What your Board of Directors has accomplished in 2022**

- ✓ YES, we ARE planning on chip sealing 1 mile of road at Maikai Blvd as stated in the 2022 road work plan this year. We have done 15k worth of work on prepping Maikai that was torn up by several locals, offroad vehicles and atv traffic and now must reallocate yearly funds to complete the job
- ✓ Work on oil truck getting it ready to use, for chip sealing AND fog sealing roads before December of this year.
- ✓ Our Board member Curt Holyk Came up with a legal way to put in gates
- ✓ Gate issues-Created realistic gate costs, feasibility, and legal changes for membership to vote on, not forcing board members to make decisions without membership approval.
- ✓ Purchased 510 Tons of chip seal gravel ready to chipseal
- ✓ 15 Tons Cold patch material- already placed on roads through-out - volunteer
- ✓ Replaced 20 stop signs – with 6 or 7 still to go – several by a volunteer
- ✓ Used up all previously purchased paint (before 2018) that was sitting in the shop for lines and no parking
- ✓ Cut and removed several tons of brush limbs in roadways. volunteer
- ✓ Mowed sides of roads every quarter
- ✓ Purchased our own chip spreader – Last of the big equipment needed and membership voted on and passed back in 2021
- ✓ Purchased 9-wheel roller - Last of the big equipment needed and membership voted on and passed back in 2021
- ✓ Painted shop building/removed all the rust, Conex, water tank
- ✓ Built by volunteers new 24x40 equipment storage building, now paid using paid contractors for finish work
- ✓ Repair damage to ends of subdivision along Tapa and Menehune
- ✓ Stopped illegal access to 21acres on the side of us on our roads by people who don't own in Ranchos that did 10k plus damage to our road
- ✓ Foreclosure process on TMK's that have not been paying their fair share for past 5 to 30 years for a collective grand total of \$316,634.74 in past uncollected assessment fees. We are working on this as it is affecting every year's budgets.
- ✓ 2022 turnover - 62 properties bought/sold- In 2021 turnover was 78 changed hands
- ✓ Dealt with well over 1,106 office emails
- ✓ Nomination process updated and in compliance with Hawaii laws (It is against Hawaii law to allow write in votes.)

Current Board TRANSPARANCY- is ALL located on [HRRMC WEBSITE](http://HRRMC WEBSITE). Including [Financials](#), [Budgets](#), [Audits](#) Meeting [Minutes](#), [Agenda](#), with link to Zoom meetings under the BLOG page, [Election information Proposed GATE](#) important information for you to consider before casting your vote. Past and current [Legal](#) information, [Road work updates](#), past [Newsletters](#), [History](#) of Ranchos. **This board is transparent** and if anyone states differently, simply look for yourself, ask to see documents, or call and ask questions. \*We will not give out company information to anyone involved in an active court case, they need to get information thru the legal system. **Call 808-929-9608 for any questions about this year's election items**

HRRMC has 3 (three) open board positions up for election, remember each TMK represents 1(one) vote, so if you own multiple properties and are in good standing on all of them, you get that many votes for each measure or board member running. We have sent out letters to everyone not eligible to vote and cutoff for payment was Sept 1, 2022.

Thank you to our current BOD Curt Holyk for running again and thank you to all the nominees who put in to run for the board this year. It is great to see new people running that are new to Ranchos and can bring **NEW** fresh thoughts, perspectives, and ways to implement all road needs in a cost-effective way. Make your vote count- a nominee **MUST** have a minimum of **one hundred twenty-three** (123) votes to meet 414D-111 and meet 414D-112. When voting is complete at 11/20/2022 all voting is done and no one moves forward to fill unopen seats if not elected. If a position is not filled, the board, will determine to bring on a person to fill a position for 1 year and then they must be elected to a position during the next election.

Any 1 (one) board member cannot make any changes or discriminate against any members or group of members, all decisions must be passed by **majority** of board of directors **and OR** majority of membership to make changes. Prior boards made a lot of decisions that were not in the bylaws or legal in Hawaii, your current board will not break the law nor bend rules to the will of a few individuals to make decisions for all of membership like was done in the past. Make your vote count.

2023 Ballot Measures and Vote (effective 1 January 2023) - Annual meeting will be held via Zoom and all voting will end on 10 November 2022 at 4:30pm. No voting will be allowed during the annual meeting except for placement of executive officers.

If anyone has any questions regarding these measures to be voted on, please call, or [email the office](#) directly and a Board member will contact you to clarify or discuss. All proposed changes are in **bold and underlined**.

**Measure 1:** Proposed Article of Incorporation change to allow HRRMC to construct appurtenances, such as gates, in the Ranchos Road systems. (We already have authority to construct a water system). This requires a 67% majority vote to pass.

#### ARTICLE IV. GENERAL PURPOSES AND POWERS

The Corporation is composed of all owners who own lots within the Hawaiian Ranchos Subdivision, Increment 1, 2 and 3. The purpose of the Corporation is to manage and oversee the maintenance, repair, restoration, and improvement of the Hawaiian Ranchos road system, water system, or **appurtenances** hereinafter constructed.

**Measure 2:** Proposed bylaw change to clarify HRRMC's role in maintaining or building in our road systems (including easements) as reflected in property owners' Parcel Second deeds. (This doesn't change HRRMC's statutory authorities or powers.) This requires a 67% majority vote to pass.

#### ARTICLE I. DEFINITIONS (Amended and Re-sequenced)

**1.10** "Road lots", "Ranchos road lot" or "Ranchos road system" are synonymous and mean those private roads located within the subdivision as certain roadways designated and shown on the map of the Hawaiian Ocean View Ranchos Subdivision, Increments I, II and III, **as designated in each owners parcel second deed**, and as shown on the maps filed in the bureau of Conveyances of the State of Hawaii as File Plans Nos. 1125, 1145 and 1183, respectively, located in the District of Ka'u, State and County of Hawaii and shall be all roadways located within the above-mentioned subdivision, provided, however, that any portion or portions of the roadways which may be dedicated or conveyed to the County of Hawaii, State of Hawaii, or other governmental authority shall cease to be part of the Ranchos road system immediately upon such dedication or conveyance and the acceptance thereof by said governmental authority.

**(add)1.15** "Appurtenances" This term refers to all rights or restrictions that run with the land within our Subdivision. The term is generally used in the context of easements or covenants and is distinguished from rights or restrictions in gross. This includes immovable or fixed property; any property attached to the land and even the land itself; permanent fixtures that are not personal property and easily moved; and finally, property that is installed in or sits on a road lot.

#### ARTICLE VII. BUDGET AND ROAD MAINTENANCE PLAN

**6.6** Supplemental and Special Assessments. Subject to the provisions of the By-laws and the Articles of Incorporation, in addition to the road maintenance assessments, the Board may levy supplemental assessments for **Special Projects (Special projects over \$20,000 requires an affirmative vote of two-thirds (2/3) of the members voting by ballot, proxy, or in person at any annual meeting or special meeting called for the purpose)** or natural disasters, payable over such period as the Corporation may determine for the purpose of defraying any expense incurred as a direct result of actual material or labor cost increases from those set forth in the approved budget. Such supplemental and special assessments must be approved at a Corporation meeting or by a voting procedure permitted in Section 2.7. In addition to road maintenance assessments and supplemental assessments, the Corporation may levy special assessments against individual Lot owners for expenses which are incurred or to be incurred by the Corporation as provided in the By-laws. Specifically, the Corporation may levy special assessments against those who abuse or damage the road system, including those assessments necessary to bring the Lot Owner into compliance with the provisions of the By-Laws, and control through tariff, charges or other means the use of heavy and/or commercial vehicles on the Hawaiian Ranchos Road system. The Corporation may levy special assessments on Lots with commercial activities to pay for the extra maintenance required. The Board shall have the sole discretion to levy such assessments. Specific situations which are subject to a special assessment include but are not limited to: 1) Commercial enterprises which increase traffic and therefore increase maintenance expenses; 2) Damage by construction equipment; 3) Damage by delivery vehicles; 4) Any misuse of roads which causes damage to them resulting in expenses to the Corporation.

**Measure 3:** Propose bylaw change to incorporate a proper nomination process for members to run for the board. This keeps the current elected board neutral in who can run and creates a proper legal nomination process to run for the board.

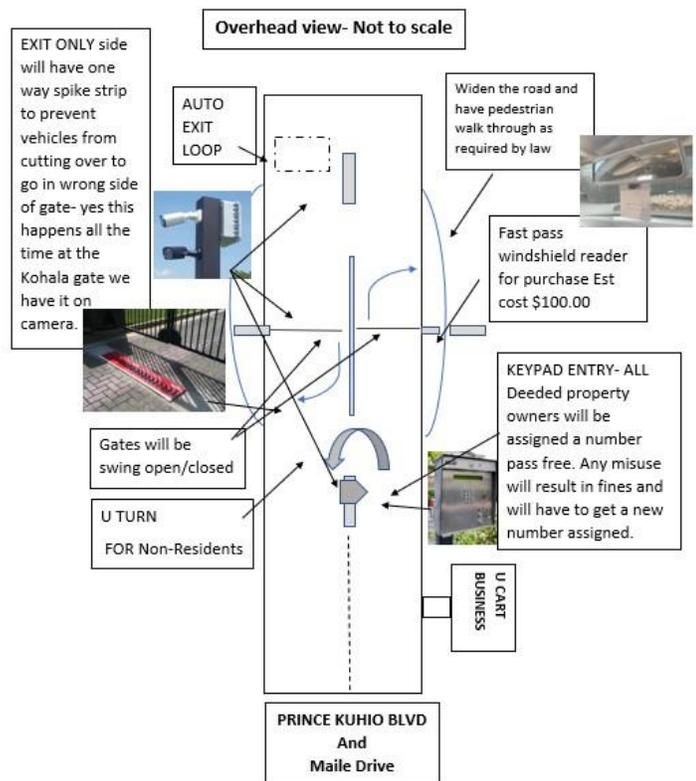
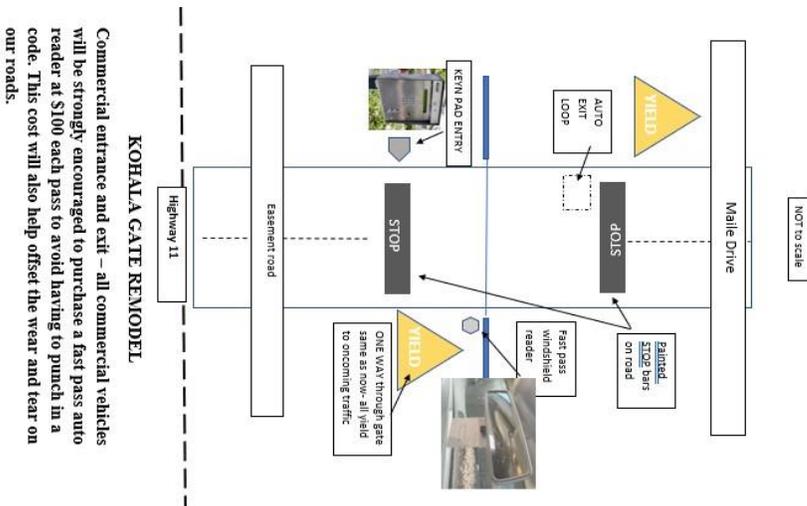
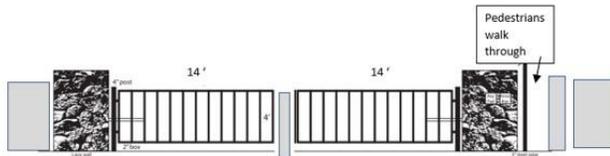
ARTICLE III. BOARD OF DIRECTORS

**(Complete rewrite) 3.2 Nomination of Directors.** Any Group of members, in good standing, representing ownership of ten (10) lots owned by different owners may nominate another member to be voted on to serve on the Board of Directors. Such nominations must be in writing and must be accompanied by a resume of not more than one hundred words (emailed) and mailed in such a manner that it shall be received no later than 75 calendar days prior to the scheduled date of the Annual meeting. The Corporation will not be responsible for lost, misdirected, or mail not received for any other reason, and any nominations received after the due date outlined herein will not be considered. Nominations and resumes will be either available on our internet website or sent to all members with the Annual meeting notice.

**Measure 4:** Special Assessment for special project to vote on and approve a budget over \$20,000 for the gates. Excluding the (41) TMKs outside the area the gates will serve membership. Levy a one-time special assessment for the construction of two new gates and repairs on existing. Remember this is in addition to your yearly road maintenance assessment. Any unused portion of assessments will be kept in the gate budget after completion. This requires a simple majority vote to pass. Disclaimer, if measures 1 and 2 do not pass this measure will not pass even if enough votes are received to pass. 41 TMKs will be excluded from this special assessment/vote and those will be identified by a letter in their ballot. See our [website](#) for more information about the proposed gates to make a well informed decision.

**Proposed Gate Budget**

2 New Gates- Build and install	\$140000	
Rebuild Kohala Gate	\$35000	
lighting - Code lighting	\$5000	
signage - code signage	\$2000	
Electrician cost for 3 locations	\$25000	
Site buildup - design road to 30 ft for 28ft of gates	\$15000	
area buildup - chip seal, concrete, walls, center islands	\$15000	
20% markup for costs, insurance, and startup	\$47400	
<b>Total cost</b>	<b>\$284400</b>	<b>\$240.00-one-time-special assessment per lot</b>



**Measure 5: CHIP SEAL RANCHOS RESIDENTIAL DRIVEWAYS** - A yes vote will allow HRRMC to use member owned equipment to offer as a service, to chip seal driveways contiguous to areas currently being re-sealed. Service would be predicated on approval generated from a site inspection and cost estimate from HRRMC. Conditions of preapproval to be posted on our website if voted to allow the service. We believe this service will greatly reduce the cost versus hiring an outside contractor. This service Will NOT affect the chip seal budget plan of HRRMC. This requires a simple majority vote to pass.

**Measure 6: Road work Plan Chipseal: Maikai Blvd, Lanikai Dr to Tapa, Dead ends of Menehune Dr at Prince Kuhio Blvd to Maikai Blvd. Dead end of Tapa Dr at Prince Kuhio Blvd to Maikai Blvd. Planning for 2 miles of chipseal and 4 miles of fog seal, cost permitting.**

Current work still ongoing in 2022 - Maikai Blvd Dead End – Already accomplished 15k work to prep for chipseal at the beginning of 2022 (levelled holes, cold patched all potholes, swept, and cleaned road. Road was prepped to chipseal, one layer. From misuse the road now needs another 60k (mile of chip seal). It will require all holes to be refilled and patched and two layers of heavy chipseal and very little traffic for a month to let it set up correctly. We will close the road totally to all traffic minus landowners in the area. This road is being misused by local members and guests not part of the subdivision.

### **2023 ROAD WORK PLAN**

- Fog seal End of Maikai, 1 month later ¼ mile (start 2023 budget)
- Maikai Blvd, Lanikai Dr to Tapa (fix chip seal)
- Fog seal 2 weeks later 1 mile  
Dead ends of Menehune Dr at Prince Kuhio Blvd to Maikai Blvd – 1/2 Mile (fix chip seal)
- Fog seal 2 weeks later – 1/2 Mile
- Fog seal Prince Kuhio Blvd from u cart to Jacaranda Dr. 1 Mile
- Fog seal Maile Drive – 1.8 miles
- Chipseal Maile Drive from Kamaaina to end of dead end. 1/4MILE (fix chip seal)
- Fog seal 2 weeks later ¼ Mile
- Dead end of Tapa Dr at Prince Kuhio Blvd to Maikai Blvd .8 miles (fix chip seal)
- NOTE: At this point this is approximately 6 Miles of road for chipseal purposes. These are also approximate distances and could take more or less material to accomplish.
- Dead ends of Poha Dr at Prince Kuhio Blvd to Maikai Blvd (fix chip seal)
- Fog seal 2 weeks later
- Kahili dead Blvd ends at Lanikai Dr to Tapa (fix chip seal)
- Fog seal 2 weeks later
- NOTE: At this point it is approximately 10 miles of road for chipseal purposes. These are also approximate distances and could take more or less material to accomplish.
- IF measures 1,2 and 4 all pass, gate installation process will begin in Jan 2023, we will appoint a board member to the project who must be on the job site during all work phases to ensure all legal measures, safety, and liability are met for all aspects of the job.

This is a working road work plan and a list of our worse roads and will work on what we can as budget dictates. Our goal in 2022 after the oil truck is repaired is to chip seal one (1) mile and in 2023 accomplish two (2) miles and do fog sealing and stay within budget. Our goal in 2024 will be three miles of chipseal and eight miles of fog seal trying to keep the same budget if materials stay close to current prices. The life expectancy of chip seal is 10 years (normally 5 to 7), and we should be on a plan to accommodate all roads being resurfaced within 10 years. Not the 65-year plan we were on.

**Measure 7:** Budget: \$306,900. At the current \$250 assessment. (Full budget is on webpage for your review) The deficit shown is in current years assessments and from prior years we have collected enough to keep us ahead. Our bylaws dictate we vote on a budget and are being transparent with costs of each function. Roadwork seems to go up in price every day not down as some would hope. We are moving forward with working on our roads and have made a lot of progress by owning the equipment and not paying someone to do shoddy work. Now that the major equipment is purchased, we can rotate that money into chip sealing and fog sealing roads and try to maintain a \$250 assessment at current prices of product. (Fyi. This is based on everyone paying their fair share of the assessments) This is why we must plan on projects, and it is impossible to not make minor changes as we go thru the year. We are working towards the 14% who have not been paying to end the (\$50,750) deficit in uncollected assessments for this year.

## HRRMC 2023 Proposed budget

### Operating expenses

Expenses	Estimated	Actual	Difference
Administrative Costs	15,400.00	0.00	15,400.00
Insurance	22,000.00	0.00	22,000.00
Legal Council	4,500.00	0.00	4,500.00
Legal Foreclosure/Liens	0.00	0.00	0.00
Admin Labor	20,000.00	0.00	20,000.00
Building	20,000.00	0.00	20,000.00
Base yard	5,000.00	0.00	5,000.00
Chip seal Materials	125,000.00	0.00	125,000.00
Chip Seal Labor	4,000.00	0.00	4,000.00
Mowing/Labor, Maint Fuel	12,000.00	0.00	12,000.00
Road Work/Equip. Fuel	67,000.00	0.00	67,000.00
Road work Labor	6,000.00	0.00	6,000.00
Roadwork Supplies	6,000.00	0.00	6,000.00
<b>Total operating expenses</b>	<b>306,900.00</b>		<b>306,900.00</b>

For 2021 and 2022 actual budgets visit our webpage

[www.ranchos-roads.org](http://www.ranchos-roads.org)

			<b><u>250.00</u></b>	2023 assessment
<b><u>Special Assessment</u></b>				
Gates Kohala	35,000.00	0.00	35,000.00	
Gates Prince Kuhio	125,000.00	0.00	125,000.00	
Gates Maile	125,000.00	0.00	125,000.00	
			<b><u>240.00</u></b>	Special Assessment if passed

**Current Board Member for Re-Election**

**Curt Holyk**

It has been my pleasure serving on the board of directors the last two terms as your Vice president of construction and vice president. I would appreciate your vote to serve the membership again. My experience in business, construction and real estate legal issues has allowed me to guide the board through some transitory times; and I hope my advice has prevented us from potential legal pitfalls down the road. (Pardon the pun.) As a director, I pledge to help the board to function as a professional, efficient, and helpful organization that our members can trust and be proud of.

**Russell Boyd**

Aloha, my name is Russell Boyd. I have been a resident of Ranchos for 23 years. I am a self-employed commercial fisherman with experience in heavy machinery and repair. Being self-employed will enable me to be available and flexible for my role as a volunteer. I feel like my experience and general knowledge of the community and its needs will be a big help for the roads and focusing on making the road maintenance more productive, effective, and efficient.

**David Strohl**

As a former board member under the honorable late Bob Berry and Don Nieche. I am fully qualified to hopefully reduce spending cost as I did with Boeing as a machinist. Max \$20.00 raises not recent \$100.00 Kapuna 65+ or widows we should take care to lower their rates to \$150.00 like Hawaii does on property taxes! Held machinist jobs, and offshore oil worker. A vote for Dave Strohl is a mandate to roll back costs for our Kapuna, widows and ranchos members as ¼ million per year is not needed to maintain roads!

**Robert Corso**

I'm Robert Corso, an owner in Ranchos since 2004. I retired from General Electric Company after 40 years. I was elected Chief Union Steward by my coworkers (IUE-CWA Local 84707). I advocated the importance of transparency to the members. I fought for their needs and requirements. I would like to further extend that goal to the members of the HRRMC. If chosen to serve on the board, I would be considerate and mindful of the interests of the members. I would work to keep fees under control and making sure our money is spent wisely.

**Alicia Estrada**

My name is Alicia Estrada, my family and I moved here as full time residents in the spring of 2022. Over the years I have been a part of many boards from Vice President to secretary. My number one goal as a member of all of these boards was clarity and transparency for the members. Members prefer when they understand what is happening without having to make inquiries to get information. This would be my intention if elected to the Road Maintenance board.

**Leonard Hudson JR**

I have been on the boards of two condo associations where we lived helping to budget and maintain buildings and roadways. From 1997 to 2012 I worked within the work management group for electric utility, American Electric Power. The computer system I helped develop and maintain managed distribution crews, services, and outage management cross 11 states. Prioritizing scheduling, and completion of tasks is the skillset I believe I can add to HRRMC.

**Mike Cline**

As a local home construction business here in Hawaii from the ground up I know how to get things done right the first time, stay with-in budget, keeping realistic expectations in today's market of costs of materials and labor costs. The current board is on track, and I have seen lots of positive changes in our community and feel we need to keep going forward and not slide backwards. My past experiences as Supervisor for Helfix Electrical and overseeing sub-contractors, management of crews, budgeting costs the right way to install trenching of electrical lines for wire placement.

**Mike Hardin**

I'm Michael Hardin, a full time resident of 12+ years who wants to serve you with direct experience of HRRMC. I have been a previous board member and a road maintenance employee. Being a mechanic by trade, I bring knowledge for practical, common sense solutions to problems we face and projects we want to get done. I am passionate about Ranchos and its roads. I offer the time and motivation to actively participate and will always look for the best, most cost effective solutions to road maintenance for our membership. Accountability, transparency, and lower costs are top priorities of mine.