

Hawaiian Ranchos Road Maintenance Corporation

NEWSLETTER

September 2016
From The President's Desk

Aloha Ranchos Property Owners,

It's that time of the year to let you know how we are doing as a board and update you on issues in our community. As a voluntary board member, this is my fourth year as a president for HRRMC. It is not always an easy job. There are often challenges to find a balance between what needs to get done, how much time I and other board members can spare, and how much money is in the budget. Here are some highlights of this year's activities:

We have finally found a reliable paving contractor. As a pilot project we had his company start with paving a ½ mile of chip seal on both Maile and Jacaranda, plus a few intersections on Jasmine. We are pleased with the results and are now negotiating further chip sealing for this year and next. Big thanks to our board member Tom Kraft for working on getting this contract going.

Our road crew has been actively pruning back trees and bushes growing on the easements. Last year's rain has really accelerated growth and the mower alone cannot keep up. The pruning is important for improving visibility at intersections and drive ways.

We have purchased a new mower attachment for our tractor. It is a flail mower. This type of mower throws a lot less rocks than the old one did and mows a wider pass on the easements.

I have also found a cheaper source for the radio remotes for the Kohala gate. They are now \$30.00. It's a pleasure to pass the savings onto you.

We have a new board member, Gabe Hechler. He is a retired Marine and a great new asset to our board. You will see him on the ballot along with other members who are up for re-election.

There has been some tensions and confusion in Ranchos lately.

Starting with the proposed industrial size Solar power installations on 18 lots. It is before the Public Utilities Commission. The press and the Consumer Advocate have taken Rancho's side and HELCO has taken the side of the developers, SPI Solar and another. A big Mahalo to all who have send letters to the PUC docket number 2015-0029, objecting to the overhead transmission line. If you like more information on this subject, please contact Ann Bosted at 808-315-2196 or email her at bosted@earthlink.net. She has done a lot of research on the subject.

Earlier this year, you may have heard rumors that I was planning to raise the road maintenance fee to upwards of \$400. It was just a misguided rumor! I have no such intention or powers to do so. The proper procedure is for the HRRMC board to discuss the budget and annual fees, then propose a budget for you, the members, to vote on and approve or not. See the article "Budget and maintenance schedule" for more details.

There have been several letters and newsletters sent out this past year from Hawaiian Ranchos Community Association, HRCA. Many property owners have confused our Corporation, HRRMC, with HRCA which has a voluntary membership. Please be aware of who is who and what each is about. We are two different organizations operating with different goals. For more information regarding HRCA updates, please check their website, www.hawaiianranchos.com

Meanwhile, lets enjoy all the beauty in Ranchos and all the wonderful friends and neighbors that do live here.

Thanks for letting us serve you
for a better community.
Mats Fogelvik, President HRRMC

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Road Maintenance Report and Work Plan 2016

In 2016 we found a new contractor, Kahalana Contracting, and did a pilot project of one mile chip sealing. We are delighted with their service. We are discussing and negotiating doing another 4 miles, since we did no chip sealing the previous years and we have some funds built up. We have a new road maintenance worker part-time, Mike Hardin, a Ranchos resident. Mike is a former board member familiar with our operations and he hit the ground running.

Our 2017 plans include:

1. Continue road repairs as needed
2. Pruning of shrubs and trees infringing on road easements
3. Complete stop bars at all intersections
4. Ongoing mowing of road shoulders
5. Complete inventory of which roads & intersections needs repairs

Improve Your Driveway!

If your driveway needs improvement or paving, our contractor Les Iverson, Kahalana Contracting can give you a quote for fixing your driveway.

Call him at 808-479-0765



Newly paved and painted intersection

Election of Board Membership

HRRMC Bylaws permit the Board to elect a property owner in good standing to serve on the Board through the end of that year. If that person chooses to stay on the Board, he or she will have to run for re-election (for a 3 year term) the following year. That vote will be by the general membership of the corporation.

Anyone interested should send a brief letter to HRRMC, PO Box 7007, Ocean View, HI 96737 indicating your interest and how you might be able to help serve our Road Maintenance Corporation.

You must be a property owner in good standing (assessments paid). All Board members must pass a Police Department background check. Meetings of the Board are monthly, on the third Tuesday at 5pm, unless otherwise announced, and generally last one to one and a half hours. Members are welcome to attend. This is a working board, you will be asked to participate on committees of your choice to help us all make things happen.

2016 Annual Membership Meeting

Date: Saturday November 12, 2016

Location: HRRMC Office, 92-1347 Kohala Blvd

Time: 4:00 p.m.

Light Pupu's and refreshments

Agenda: Proposed Budget for 2017

Proposed Work Plan 2017

Announce results of items voted on.

The meeting will be followed by a short closed session board meeting-for election of the Board Officers.

Hawaiian Ranchos Road Maintenance Corporation

NEWSLETTER

Aloha from the Office

Many Mahalos to all the property owners who have their road maintenance dues paid in full. Your payments go towards paving & maintaining the roads you own and drive on, as well as operating cost. Be aware, neither the County nor the State of Hawaii pave or maintain our roads as this is a private sub-division, thus the need for road maintenance dues. We encourage property owners who have "past due" accounts to call our office and work out payment plans before having a possible lien put on your land and/or foreclosure.

My duties here at the Hawaiian Ranchos Road Maintenance Corporation office, (**HRRMC**), among a few are to: maintain current property owner's account records, prepare & send out statements, record road maintenance dues, bank deposits, escrow demands, enter new property owner transfers, issue key cards, assist with annual newsletter, and numerous other bookkeeping activities.

HRRMC is NOT a Security or Enforcement agency or office! If you have complaints about speeders, abandoned autos, trespassers, squatters and/or illegal activities, please call the non-emergency number for the Police at 935-3311 or 911 for emergencies.

To submit concerns/complaints regarding issues with Road Maintenance, please put concerns in writing! You may drop off written concerns during office hours, e-mail or mail to our office. Written concerns will then be passed onto the Road Maintenance Committee for review and follow up. Please do not call board members on their private phones regarding road maintenance.

Some of the ongoing office concerns continue to be from owners who say they have not received a statement for one or more years. The problem could be caused from property owners being off island part of the year and the Post Office has not forwarded the mail either here or to the mainland.

And sometimes people forget to call us with their change of address. **Please update your contact information in writing with our office. Do not always rely on the USPS** to forward your mail when you move. Most often, statements are returned to us even when forwarding addresses are submitted.

There are **1227 properties** in the Hawaiian Ocean View Ranchos sub-division. Our office does not routinely check for transfers or address changes as a norm. We make changes as they are referred to us, mostly through an escrow company after a deed is transferred. If you decide to sell your own property and/or transfer it to a family member ***PLEASE NOTE*** it is your responsibility to let the new owner(s) know of the mandatory road maintenance fees, and to contact our office in writing to inform us regarding the changes.

Please make payment to either: Hawaiian Ranchos Road Maintenance Corporation or HRRMC. ***Be sure your TMK #, (that is the Tax Map Key #), is included on your check in the memo area.*** This number is listed on your statement under your address. There is **NO** need to put the physical street address of your Ranchos property on the check. Not every lot in Ranchos has an address assigned yet. Therefore we do not use street addresses for references in our bookkeeping system. If we cannot identify a payment by the legal owner's name or a TMK #, your payment cannot be credited.

We are enclosing a self addressed envelope with our January mailing.

Aloha, Maira Fogelvik, Office Manager

Office Hours:

10:30 am to 2:30 pm, Every Tuesday & Thursday

Ph: 808-929-9608 Fax: 808-929-9622

PO Box 7007, Ocean View, HI 96737

Email: office@ranchos-roads.org

WEB: ranchos-roads.org

Annual Road Assessments for 2017

Your next road assessment fee is due by March 31, 2017. Road maintenance dues are mandatory. Your annual statements are now mailed out in early January each year to avoid the holiday mail back up. If you do not receive a statement by mid-January call the office for a new one. You may pay by Paypal, check or money order. Cash will only be accepted at the office in person. Late fees are assessed on unpaid accounts starting April 1st annually.

Paypal: We still have a good response from adding Paypal to our website as an alternative way to pay. The number of owners using the site is growing. However, you cannot access your account balance on line, we are a small organization and are not set up for that.

Please do not make payments to HOVR or HOVE. HOVR is the acronym for this subdivision, **Hawaiian Ocean View Ranchos**, but it is NOT our Corporation name. HOVE is the acronym for **Hawaii Ocean View Estates**. That is the subdivision above the highway, and is not affiliated with Ranchos. However the commonality is that both subdivisions are in the Ocean View area.

Our mailing address is:

PO Box 7007, Ocean View, HI 96737

Please do not send your Road Maintenance fee payments to the Ranchos Community Association. Doing so will delay your payment and may incur late fees if your payment does not arrive to our office.

For new owners

A lien is a legal document registered with the State against your deed and prevents sale of your property until it is paid. There is a lien fee of \$225, plus 10% annual late fees on all outstanding balances, which can add up quickly. These are completely avoidable costs.

If your property goes to foreclosure, it can be sold at public auction. If you know you are in this situation, please contact the office to make payment arrangements.

There are some properties that have encroachments onto the road easement. These include plantings, walls, fences, and in a few cases, building a steep driveway that reaches across the road shoulder out to the edge of the pavement. There are significant safety concerns for motorists when the shoulders that are part of the road easement are encumbered.

All boulevards and Maile Drive have 60 ft easements. All other drives have 40 ft easements. These easements are community property, owned by all shareholders of HRRMC. HRRMC has the responsibility to maintain the easement, including the paved areas and shoulders. This entails keeping them clear of bushes, overhanging branches, and personal property which infringes on the easement.

A letter will be sent to property owners who have plantings, structures or stored items on the road easement notifying them of the violation. Those receiving this letter must contact the HRRMC office to resolve the situation. If the problem is not corrected within 30 days of receipt of the letter, HRRMC will take whatever action necessary to correct the problem, at the property owner's expense.

Returning HRRMC Board members:

Tammie Ewers Aloha! My name is Tammie Ewers. I have been serving on the HRRMC board for the past 4 years as Treasurer. My husband, Jim and I retired to the Big Island five years ago. We love the island lifestyle and the close knit ohana that is found in Ranchos and Ocean View. I look forward to continuing to serve as your treasurer. Mahalo!

Phillis May is also a returning board member. She has been living in Ranchos for several years and she has experience in Human Resources and office management. Due to her work and owner /builder experience she has strong planning and organizing skills. She looks forward to working with the other board members to maintain the quality of our roads.

Note from the Treasurer

Please review the budget and financial information on page 6.

The monthly financial statements are available in the office for any interested members to review. Please call to arrange an appointment with me at the office. If you have any questions or need additional information, please feel free to contact the office and Maira or I will be happy to speak to you.

Tammie Ewers, Treasurer HRRMC

New Board Member

Gabriel Hechler

My name is Gabriel Hechler, I have been a property owner in Ranchos for five years now and finally moved here full time, from Oahu, last year, following my retirement from the Marine Corps. At the moment I am a stay at home dad and full time, online student seeking my post graduate in Special Education. I am married to Jana Hechler and we are the proud parents of little George, who is one year old.

I have excellent communication skills and have worked in many countries with many different cultures on both political and military sides of the fence. I am proficient in Microsoft Office and other computer skills. I am a certified fire warden by the county of Honolulu, a tier two explosive ordnance disposal technician, and have trained police forces in four different countries to proclaim my effectiveness as a security consultant. I work well in a project management setting and have a "get it done" mind frame and work ethic.

Budget and Road Maintenance Schedule

We at the board have put a lot of thought into a realistic road maintenance schedule for Ranchos. We do have a limited budget and many miles of roads. It is important that they are being maintained on a regular basis in order to hold up well. We do have a proposal for our members, please let us explain with some numbers:

We have 1227 members, our annual fee is \$130, which gives us a total theoretical income of \$159,510. After our payroll for employees for road maint. and office, utilities, insurance, etc, we have about \$110,000 available for paving contractors. Our latest chip seal contract was priced \$82,000 per mile. We have 52 miles of roads. With our current budget we can chipseal 1.34 miles of road per year. It will take us 38 years to re-pave all the roads on this schedule. This is obviously too long of an interval, a good chip seal is estimated to last 7-10 years. It is not only the traffic, but mainly the sunlight which breaks down the oil in the pavement, making it brittle. We cannot afford to re-pave every 7-10 years, but we would like to be able to do it every 25 years, which means 2 miles per year.

To be able to chip-seal 2 miles per year, we would need an additional \$54,000 per year, \$45 extra per member and we have to raise the annual fee to be able to achieve this.

Nobody likes to raise fees, but the reality is that we are falling way behind the current real road maintenance cost.

What we propose to do, is to raise the fee \$20 for 2017 to \$150, and an additional \$25 for 2019 up to \$175. This is of course a budget item which the members have to vote on and approve.

It is noteworthy to mention as a comparison that our neighbor subdivision, HOVE, charges \$140 annually per ONE acre lot. They have roughly 11,500 lots and 157 miles of roads. That is \$10,255 per mile per year. HRRMC only has \$3,067 per mile per year available. Please consider the well being of our road network and its importance for your property value and vote yes to approve our budget.

The HRRMC board.

HRRMC Financial Report and 2017 Proposed Budget

	2015 Budget	2015 Actual	1/1 to 6/30/16 Actual	2016 Budget	2017 (Proposed)
Income:					
Assessment Fees	172,700	165,536	173,130	172,700	197,200(1)
Other Income(2)	3,800	3,450	1,965	3,800	3,800
Total Income:	176,500	168,986	175,095	176,500	176,500
Operating Expenses:					
Road Maintenance	122,000	52,215	91,975	105,000	150,000(3)
Repairs	1,500	1,800	853	1,500	1,500
Total Operating Exp:	123,500	54,015	92,828	106,500	151,500
Administrative Expenses:					
Paypal & Bank Charges	1,000	739	544	1,000	1,000
Insurance	5,000	6,476	5,024	5,000	5,000
Professional Fees	5,000	1,035	4,295(4)	5,000	5,000
Utilities	4,000	3,107	1,626	4,000	4,000
Office Expenses	4,000	5,325	1,564	4,000	4,000
Payroll Expenses	30,000	25,705	10,070	50,000	30,000
Taxes	500	2,248	81	500	500
Permits & Fees	500	0	0	500	0
Total Adm Expenses:	50,000	44,635	23,204	70,000	49,500
Total Expenses:	176,500	98,650	116,032	176,500	201,000

Note 1: Proposed increase in annual assessment fees to \$150 per year.

Note 2: Other income includes: interest, Aloha Broadband tower rent, transfer fees

Note 3: If no large contracts needed, allotted funds will be transferred to a savings account for future road work

Note 4: Increase due to Attorney fees for properties in foreclosure proceedings

	Balance Sheet		
	12/31/14	12/31/15	06/30/16
Assets			
Cash	329,950	401,605	426,763
Accounts Receivable	125,200	122,191	150,843
Fixed Assets	160,078	160,078	167,313
Total Assets	614,868	683,874	744,919
Liabilities			
Taxes	1,310	(20)	34
Total Liabilities	1,310	(20)	34
Equity			
Opening Balance	406,988	406,988	406,988
Retained Earnings	90,035	206,570	278,835
Net Income	116,535	70,336	59,062
Total Equity	613,558	683,894	744,885
Total Liabil/Equity	614,868	683,874	744,919

First Class
Postage
Required

**Ballot 2016, HRRMC
PO Box 7007
Ocean View, HI 96737**

FOLD

PLEASE TAPE ONLY ONCE, avoid staples

FOLD

**HRRMC
PO Box 7007
Ocean View, HI 96737
Return Service Requested**

stamp

address label

HAWAIIAN RANCHOS ROAD MAINTENANCE

BALLOT

Please cast one (1) vote for each Ranchos lot owned by you on each item below.

For example: If you own 2 lots, you should write a 2 in either the YES or NO space. Each Ranchos lot is 3 acres. Do not mistake this for 3 votes/lot.

Your completed ballot must arrive at our office no later than **November 5th, 2016**

ISSUES –

#16-1 YES _____ Proposed Budget for 2017, See Pages 5 & 6
 NO _____ (this includes a \$20 annual assessment raise)

#16-2 YES _____ Proposed Work Plan for 2017, See Page 2
 NO _____

#16-3 YES _____ Would you be interested in fully gating the subdivision?
 NO _____ (This question is for research purposes only)

BOARD MEMBERS

We have three election slots for the board this year. You can vote for all three.

#16-4 YES _____ Tammie Ewers, returning board member, see Page 4
 NO _____

#16-5 YES _____ Phillis May, returning board member, see Page 4
 NO _____

#16-6 YES _____ Gabriel Hechler, new board member, see Page 5
 NO _____

Please do not remove mailing label from ballot. Label is used to determine number of votes and eligibility.