

Hawaiian Ranchos Road Maintenance Corporation

Official Annual Newsletter and Ballot

September 2018

President's Message

Aloha Ranchos Members,

This is my first term as President and it has been quite a learning and growth experience. I truly appreciate all the support I've received while getting my feet wet. I am retired and have lived in Ranchos since 2010. My first experience with private roads and running a non profit was when I joined the Board in 2012. I have past experience being President for the East Bay Rose Society and the Ocean View Senior Club. I love Ranchos and have been happy to do my best to meet the demands and responsibilities of this position.

My foremost goal is to address the issues that are of major concern with our community. These include audits, financials, website updates and being transparent with the community. I do apologize for these not being already done and will work diligently to address all issues and meet the community's expectations.

Website and Communication

The financials, meeting minutes, agendas and yearly audits will now be posted on the website as soon as feasible. For those without internet, these documents will be available for viewing at the office. We would like to hear from you regarding issues and concerns so we can do a better job. If you have a road maintenance item, please submit it via website, e-mail, snail mail or in person and it will be added to the next meeting agenda.

Audit

Having a financial audit of previous years has been of major concern for the Board and members. I have good news, a multi-year audit is currently underway at little or no cost to the community. Once this audit is approved, the results will be posted on our website and available at the office. Currently, our 2018 financials are being audited quarterly by a community member and are completed through June 30, 2018.

Gated Community

The Board is willing to budget for gates and is soliciting votes from all Ranchos members to determine whether the majority desires Ranchos to be a fully gated community. See ballot item #18-1.

Road Maintenance

This year we have chip sealed and/or fog sealed 7 blocks of our main in-and-out routes which are Prince Kuhio Blvd, Maile Drive and Kohala Blvd. Now that these roads are in good shape, the Road Maintenance Committee is putting together a paving plan and will ask for members' input. Once completed, the plan will be posted on the website and available at the office. Though almost all Ranchos' roads are in good condition, we have several blocks located in lower Ranchos in need of resurfacing.

These streets are a priority for road maintenance and have been added to the road maintenance plan. In the interim, our two dedicated maintenance workers will be patching and repairing them for resurfacing.

Easements

You may have noticed better visibility along roads and at many corners. Our two maintenance workers are mowing a wider path along easements and weed whacking corners. Also, our workers are cutting back overgrown trees and shrubs along easements and on corners.

Please Vote

I hope everyone will take time to read and vote. Three current Board members are up for re-election and there are additional nominees for the open board positions. Please remember to vote so your voice is heard.

Phillis May, President

Duly Elected HRRMC Board 2018

Only the people listed below are duly elected board members. Any other individuals purporting to be board members have no legal standing.

President: Phillis May

Vice-President: Sterling Quier

Treasurer: Tamara Ewers

Secretary: Linda Somers

Directors Mats Fogelvik, Mike Gerbo, Gabe Hechler, Tom Kraft, Brian Lampron

2018 Annual Membership meeting will be held on Saturday, October 20th at HRRMC Office, 92-1347 Kohala Blvd. at 4:00 p.m.

Meeting Agenda

- * *Call to order*
- * *Review of the past year/committee reports*
- * *Proposed 2019 road plan*
- * *2019 Budget*
- * *Voting commencement & results*

Board Update

- ♦ The listed Board members on page 1, are the current and legal HRRMC Board. If you hear from a group of individuals claiming to be the Board, they have no legal standing. George Cline, Barbara Winch and Nancy Bondurant are three of these individuals and legal recourse is being initiated against them and their group in order to stop their harassment. These three individuals filed a lawsuit against HRRMC at the last annual meeting are now attempting to achieve a political solution rather than allow the judicial system to resolve the issues. At present, there is no action in this lawsuit and it is still pending.
- ♦ To address concerns of some members, a multi-year financial audit is being conducted. The findings will be posted. Regarding election policy, the current Board simply wants a fairly conducted election, with due process, to all owners, and in accordance with the governing documents. All members of the Corporation are invited to run for office.
- ♦ We would like all members to know that the present board has instituted policies and procedures of transparency, financial checks and balances and responsiveness to members. The Board welcomes members' comments, questions and concerns. We thank all members for the opportunity to serve the community.

Road maintenance report

For 2018, our major repair project was completed in the first part of the year. Two miles of repair was completed including portions of Prince Kuhio, Kohala, Maile and Kamaaina. Each mile of repair includes patching imperfections, rolling out rough areas and sweeping to remove loose rock. The surface matte which is laid down includes a $\frac{3}{8}$ inch blue grade A rock with a latex SS oil. A fog seal is added to the matte as a protective coating. Portions of Prince Kuhio and Kohala that are asphalt only needed a fog seal coating. Also, the intersections at Maile and Kamaaina, and Hibiscus and Kohala were repaired. Except for a small section at the East end, all of Maile Drive has received a new layer of chip seal in the last three years. Maile is arguably one of our most traveled road ways in the subdivision. All the major repair work over the last three years was completed by Kahalana Contracting, a local company based in Pahala. The total amount of these most recent repairs includes 6 miles of chip/fog sealing and 50 intersections.

HRRMC has two part-time employees for day to day

caretaking. Ed NeSmith and Mike Hardin provide an ongoing service to our roads that includes mowing, weed trimming, road sign replacement, and pothole repair. Additionally, Ed and Mike are our go-to guys for a variety of minor repairs and other tasks directly associated with road maintenance or the road maintenance office. Mahalo nui loa to Mike and Ed for a great job!

The large network of roads in Ranchos make the prioritization of repairs a challenging task. Obviously, some surfaces like Maile, Prince Kuhio and Kohala have more traffic. Thus far, as I mentioned, Maile has received the most attention for surface repair. For the future, we are developing a long range list of major road work. We are taking inputs from all Rancho residents. Normally, but not necessarily, these inputs are specific intersections or quarter mile sections of road that need repair. For example, the quarter mile sections between Lanakai Drive and the end of subdivision on Hokulani and Menehune need repair. However, shorter sections of road repair can be entertained. All of these inputs will be reviewed and prioritized for the next and future major repair projects. Finally, this listing of repair and a map will be added to our website for access to all residents.

Tom Kraft

Road Work Plan for 2019:

1. Continue road repairs as needed.
2. Pruning of shrubs and trees infringing on road easements.
3. Ongoing mowing of easements.
4. Complete stop bars at all intersections.
5. Inspect and prioritize roads and intersections in need of repairs.

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 background check. Meetings of the Board are every month with dates and times posted on the website and office bulletin board. Members are welcome to attend.

Note from Tamara Ewers, HRRMC Treasurer

The mission of HRRMC (Hawaiian Ranchos Road Maintenance Corporation) is to maintain Ranchos roads. As a member, you are required by law to pay your annual road maintenance assessment, currently \$150.00. Late fees are assessed on unpaid accounts after March 31st.

A courtesy statement is sent at the beginning of each year to the address on record in the office. You are responsible for paying your fees in a timely manner whether or not you receive a statement. If your address has changed, please inform the office. If your account is more than two years in arrears, a lien may be placed on the property. There is a lien fee of \$225, plus 10% annual late fees on all outstanding balances. If you are more than 3 years delinquent, the property may be foreclosed upon. This is a lengthy and expensive process requiring payment of not only the past due amounts but also the attorney fees (which can be in excess of \$5,000).

If your property is in arrears, please contact the office to set up a payment plan.

The financial report and proposed budget are included in this newsletter.

Office Hours and Contact Information

As posted on the bulletin board and by appointment

Secure drop box available anytime

Phone 808-929-9608 Fax 808-929-9622

P.O. Box 7007, Ocean View, HI 96737

Email: office@ranchos-roads.org

Website: ranchos-roads.org

2019 Road Assessment & Payment Options

Annual Statements mail out early January and are considered delinquent after March 31, 2019. Please notify the office if you do not receive a statement.

You may pay by check, money order, or secure payment at our website using PayPal—

<http://ranchos-roads.org/onlinepay.html>



Please make your check payable to: **HRRMC** and include your TMK number [this number is listed on your statement under your address] on your check.

Our Mailing Address is:

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

PLEASE DO NOT MAIL CASH. *Cash will only be accepted at the office in person.*

Easements and Encroachments

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 in-

Annual Election Slate

We currently have nine board members, but three of them need to be confirmed with the general election. Below is a short description. We also have the proposed budget/work plan on the ballot. Please fill out the ballot and mail in the enclosed return envelope. Voting cannot take place online. Your return address label identifies the number of votes you may cast. Your vote will be invalid if the return label is removed or altered.

Current Board Members for re-election:

Sterling Quier My wife and I have been property owners for 11 years, becoming full time residents in 2010. I have a strong background in construction, working in the industry since the 1970's. Additionally, my experience includes managing and supervising a staff of 48 employees for a large corporation where I was employed for 33 years. I have volunteered and sat on the Hawaiian Ranchos Road Maintenance Board since 2014, serving as Vice President for the past three years. I look forward to continuing to serve as an active member ensuring our roads are well maintained while keeping costs to a minimum.

Mike Gerbo I have been involved in road paving businesses and maintenance since I was a teenager with my father. I served in the Marine Corps and have previously held positions in homeowner associations. In September 1993, my wife Trish and I became proud owners of a gorgeous 3 acre parcel on Jacaranda here in Ocean View Ranchos. Yearly we came and spent time on our property and built our retirement home. In March 2010 we retired to Ranchos and have made this our home. I look forward to serving Hawaiian Ranchos Road Maintenance Board and working together with the Road Maintenance Committee for the betterment of our entire Ranchos subdivision. Mike continues to work diligently as a volunteer on Ranchos road work and drives our roads usually twice a week to check road and sign conditions.

Linda Somers I was first elected to the Board of Directors six years ago when I bought my property. Before that, I served as Office Manager for Hawaiian Ranchos Road Maintenance for four years. I would like to continue working on the Board of Directors for another three year term.

Additional candidates based on nominations made by Barbara Winch:

George Cline I have lived in Hawaiian Ranchos for 5 years. I retired after 20 years of working in the maintenance department of nuclear power plants. I've got experience in industrial maintenance, public utilities, maintenance supervisory experience, and heavy equipment. I am currently a member of Red Cross, CERT (community emergence response team), Block Watch, and NOAA (for whales and monk seals). I come with common sense and the willingness to be part of a volunteer group. I would like to see quality roads which are important to property values. Thank you for your consideration.

Jerry Halvorsen In 2000 I bought on the easement road for my concrete pumping business. I was briefly on the board in 2000 but my business requirements did not allow me to fulfill my judiciary duties. I have been attending board meetings regularly for the past two years. I attend neighborhood watch meetings and crime is increasing in the area. I am a church member and also have a bible study group. Now that I am retired I can use my time freely to see that the roads are in good repair and safe for our community.

Jerry Fine I would like to be considered for a position on the Hawaiian Ranchos Road Maintenance. I have a Degree in Management. I have also worked in Real Estate. I am currently on the Bishops Committee at St. Jude Church. I am a veteran with 22 years military service and have lived in the Ranchos for the past 3 years. I feel my experience will benefit our community.

Larry Shelton Ranchos property owner, full time resident 12 years, US Army veteran, retired Phoenix Fire Department Battalion Chief. Background = Fire Suppression, EMS Commander. Financial Management (zero base budget) facility and equipment readiness, union representative, supervisor of 90 personnel (men and women). I feel the need to become an active member of our road maintenance board for a number of reasons. 1. Budget of over \$184,000 for 1227 lots. 2. The board needs to have fresh ideas and opinions, 3. With my financial background and property management, I feel I would be beneficial with checks and balances.

Ray Raquinio Big Island resident for 40 years owner of property in Hawaiian Ranchos for 18 years; reside here now 14 years. Founded PHRC to fight the installation of industrial solar. Owner/operator of Sunlines Hawaii and a side backhoe business. I care about property development especially the construction of driveways, etc.. and have a keen interest in the aesthetics and maintenance of our roadways. I've raised a family here, always and still run a business, practiced martial arts, etc. so have connections with many individuals that also may be helpful to this board. I would be privileged to serve on HRRMC's board.

Nancy Bondurant A property owner since 2008 I enjoy the simple lifestyle of Hawaiian Ranchos. A self-starter, I worked my way through three college degrees. My varied background helped me develop strong office skills, financial savvy, the ability to communicate effectively and very strong problem-solving skills. Employment examples: a union mediator, a fire extinguisher technician, a graphic artist, helping an expert in rotor spinning publish a book and as a musician/teacher. My years as a music teacher has given me successful problem-solving skills and taught me the importance of ethics and transparency. It would be my pleasure to serve my community.

HRRMC Financial Report and 2019 Proposed Budget

2017 Budget	2017 Actual	1-1/6-30-18 Actual	2018 Budget	2019 Budget (Proposed)
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Income:

Assessment Fees	197,200	201,764	200,861	197,200	197,200
Other Income ⁽¹⁾	3,800	3,947	2,016	3,800	3,800
Total Income:	201,000	205,711	202,877	201,000	201,000

Operating Expenses:

Road Maintenance	150,000	265,658	143,015	150,000	150,000 ⁽²⁾
Repairs	1,500	1,985	2,972	1,500	1,500
Road Maint Payroll ⁽⁵⁾	20,000	8,708	6,901	20,000	20,000
Total Operating Exp:	171,500	276,351	152,888	171,500	171,500

Administrative Expenses:

Paypal & Bank Charges	1,000	880	866	1,000	1,000
Insurance	5,000	5,969	0 ⁽⁴⁾	5,000	5,000
Professional Fees	5,000	6,569 ⁽³⁾	2,736	5,000	5,000
Utilities	4,000	2,872	1,811	4,000	4,000
Office Expenses	4,000	4,672	1,668	4,000	4,000
Admin Payroll Expenses ⁽⁵⁾	10,000	5,992	3,998	10,000	10,000
Taxes	500	824	382	500	500
Total Adm Expenses:	49,500	27,778	11,461	29,500	29,500
Total Expenses:	201,000	304,129	164,349	201,000	201,000

(1) Other income includes: interest, Aloha Broadband tower rent, transfer fees

(2) If no large contracts needed, allotted funds will be transferred to a savings account for future road work

(3) Attorney fees for properties in foreclosure proceedings

(4) Bill from Mutual Insurance not yet received Estimate approx. \$4,700 due in July 2018

(5) Road Maintenance Payroll has been re-allocated to Road Maintenance Expense.

Balance Sheet

	12/31/16	12/31/17	06/30/18
Assets			
Cash	320,030	214,553	217,809
Accounts Receivable	130,838	137,079	173,974
Fixed Assets	156,893	156,893	156,893
Total Assets	607,761	508,525	548,676
Liabilities			
Taxes	722	-88	1,533
Total Liabilities	722	-88	1,533
Equity			
Opening Balance	406,988	406,988	406,988
Retained Earnings	278,931	200,043	101,626
Net Income	-78,880	-98,418	38,529
Total Equity	607,039	508,613	547,143
Total Liabil/Equity	607,761	508,525	548,676

HAWAIIAN RANCHOS ROAD MAINTENANCE

BALLOT

Please cast one (1) vote for each Ranchos lot owned by you on each item below. (NOTE: each Ranchos lot is 3 acres—Do Not mistake this for 3 votes.) For example: if you own 2 lots, you should write a 2 in either the YES or NO space. **If mailed**, your completed ballot must arrive no later than **October 13, 2018**. See page 6 for proxy.

ISSUES

#18-1 YES The Board is willing to budget for gate(s). Do you want a fully gated community? See page 1.

NO

#18-2 YES Proposed Road Work Plan for 2019. See page 2.

NO

#18-3 YES Proposed Budget for 2019. See page 5.

NO

HAWAIIAN RANCHOS ROAD MAINTENANCE

BOARD MEMBERS

We have three election slots for the board this year. You may vote for up to 3 YES and 9 NO.

#18-4 YES **Sterling Quier**

NO

#18-5 YES **Mike Gerbo**

NO

#18-6 YES **Linda Somers**

NO

#18-7 YES **George Cline**

NO

#18-8 YES **Jerry Halvorsen**

NO

#18-9 YES **Jerry Fine**

NO

#18-10 YES **Larry Shelton**

NO

#18-11 YES **Ray Raquinio**

NO

#18-12 YES **Nancy Bondurant**

NO

ANNUAL MEETING OF THE HAWAIIAN RANCHOS ROAD MAINTENANCE CORPORATION

PROXY

Date of meeting: October 20, 2018

Lot No(s) : _____

THIS PROXY SHALL BE DEEMED REVOKED IF THE UNDERSIGNED ATTENDS THE MEETING DESCRIBED ABOVE AND VOTES IN PERSON.

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned Owner(s) ("Owner") of a Lot in the Hawaiian Ocean View Ranchos does hereby constitute and appoint the designee of this proxy as hereinafter set forth or determined below as the undersigned's agent with full power of substitution to act in the undersigned's name, place and stead, and at any adjournments thereof, to elect members to the Board of Directors, and to elect the Officers pursuant to the Bylaws and to transact any and all business that may come before the Annual Meeting, and to vote as proxy for the undersigned, all of the Owner's interest at the Annual Association meeting, and any adjournments thereof, as said person shall, in his or her sole and absolute discretion, deem best, for or against any matter or proposal which may be submitted for consideration of the HOVR at such Annual meeting, hereby revoking any proxy or proxies heretofore given, and ratifying and confirming all that said agent may do by virtue hereof in accordance with its terms. **This proxy shall only be valid for the meeting to which it pertains and its adjournments, unless revoked prior to its exercise. The proxy shall expire eleven (11) month from the date of execution unless otherwise terminated.**

THIS PROXY IS GIVEN (CHOOSE ONE OF THE FOLLOWING BOXES):

1 For quorum purposes only;

2 To the individual whose name is printed on a line next to this: _____

3 To the Board of Directors as a whole and the vote shall be made on the basis of preference of the majority of the Board;

4 To those Board of Directors present at the meeting and the vote shall be shared with each Board member receiving an equal percentage.

IF YOU HAVE APPOINTED A PROXY BY SELECTING NUMBER 1, 2, 3 OR 4 ABOVE, AND IF YOU WISH TO DIRECT YOUR PROXY HOLDER TO VOTE FOR A SPECIFIC DIRECTOR OR DIRECTORS, PLEASE DESIGNATE THOSE INSTRUCTIONS HERE:

— I WISH MY PROXY HOLDER, AS SELECTED ABOVE, TO VOTE FOR THE FOLLOWING DIRECTORS OR OFFICERS, IF NOMINATED:

_____ (Insert name)
_____ (Insert name)
_____ (Insert name)

TO BE VALID, THIS PROXY MUST BE RECEIVED BY THE SECRETARY OF THE CORPORATION ON OR BEFORE THE DATE OF THE MEETING

SIGNATURE(S) OF OWNER(S)

PRINTED NAME(S) OF OWNERS:

LOT NO(S) _____

DATE PROXY GIVEN _____, 2018

Note: 1. For the Proxy to be valid, the proxy giver must 1) provide his or her printed name; 2) his or her signature; 3) his or her lot number(s); 4) the date that this proxy was signed; and 5) the name of the proxy holder (if other than the Board of Directors)

2. Please sign your name as it appears in the HOVR records. Executors, administrators, trustees, guardians, conservators and corporate officers are to add their title and, if not already done, are to submit a copy of their appointment.