

HPPOA FINANCE COMMITTEE Meeting Minutes

April 10, 2014

The meeting was called to order at 9:00 am. Joan Galante, June Conant, Vern Presnall, Steve Crawford, General Manager Scott Reilling and Administrative Assistant Cathy Fincher were present. Dale Watson arrived at 9:30 am.

The meeting took place in the HPPOA Activity Center Library.

Met with Morgan Stanley Financial Advisors.

The General Manager upon the request of the Board Treasurer arranged to have Morgan Stanley Financial Advisors Greig Sumida and Reid Takamoto attend the meeting to discuss the Association's investment account which has a balance of \$597,350.82. The interest earned on these Money Market funds is so low it does not cover the annual fee of \$150. Several investment strategies were discussed and the Committee was informed that an Investment Policy Statement should be approved by the Board. The Morgan Stanley advisors will put together several investment packages which the Finance Committee will present to the Board at the May 2014 Board Meeting along with an Investment Policy Statement for the Board to review.

Agenda and the minutes for the March 13, 2014 were approved

Review all month end financial reports for March 2014 Reports

After a review of Accts 4050/4060 Road Fee Interest/ Lien Fees it was decided we should use the same format that is used for Acct 4010 Deferred Road Fees. Even though we do monthly billings for interest and lien charges our budgeted income should reflect the amount we estimate will be collect in the budgeted year for these items.

Acct 4090 Misc Roads Inc \$2400 is amount received from insurance settlement for stolen tools.

Acct 5430 Shop Furniture & Office Equip - \$989 much needed new computer for shop.

Acct 6915 Hui Path Development - \$521- 1st bill survey expense for Capital Improvement Project.

Paving Project

With the clearing and grubbing completed on selected roads being paved the road crew graded and dropped aggregate base course costing \$45,000. This amount will be drawn from the road improvement bank account. In estimating the cost of paving it was to the Association's advantage to do some of the prep work in house to lower costs. With the available funds left in the Bond Construction Account and by using some of the Road Improvement Savings the Association will be able to pave the projected 5 miles of road. The total amount used from the Road Improvement Savings Account at this time is approximately \$76,000.

Review 2014-2015 Budget and finalize for Board approval – Committee reviewed 2014-2015 Budget the General Manager will present to the Board at the April 16th Board Meeting.

Update on progress of local collection agency for delinquent accounts.

The collection agency has contacted the 6 accounts we turned over to them. These accounts have 30 days to respond. The Office will be kept informed of their progress.

General Manager informed Committee that his collection efforts will soon be extended to approximately 120 more delinquent accounts in East Hawaii. Collection efforts are noted in the amount of Past Past monies collected in year to date of \$110,407.

Update on progress of collections of Japan delinquent accounts.

Because of the extra work getting the 2nd billings out the additional information needed by June had to be put on hold. She is still in touch with her contact and will keep the Committee informed.

Update on progress of problems in Japan foreclosures.

Maeda court date is April 11, 2014. We will have more information at the May meeting. We received a default judgment for Kanemaru. June will be in contact with Ted Hong who will set up new foreclosure sale.

Update on local gas credit card for Road Supervisor. June still has this on her to do list.

Update on implementing Extra Burden Fees. General Manager will obtain updated Special Permit disk from the Planning Department. After we update our list of owners having Special Permits we will continue to verify data in preparation for our presentation at the June 2014 General Membership Meeting.

The Committee approved to purchase \$15 gift certificates to give to the employees for Easter. This is a budgeted expense.

Meeting adjourned at 11:30 am. Next meeting May 15, 2014 at 9 am in the HPPOA Activity Center Library.
Respectfully submitted, Joan Galante, Treasurer