

HPPOA FINANCE COMMITTEE Meeting Minutes

May 15, 2014

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

The meeting took place in the HPPOA Activity Center Library.

Agenda was amended to include: 1. Election cost analysis 2. Discuss schedule of Finance Committee Meetings per Bylaws.

Agenda and the minutes for the April 10, 2014 were approved

Discuss DOH (SWS) Letter/Permit. Implications on Operations, Bond Fund and Budget.

Discuss depletion of Bond Funds for Paving and the affect on the Road Improvement Savings Account.

Committee review warning letter from DOH-SWS. In response to letter May 2014 expense for Acct 5240 Tipping/Rubbish Hauling Fees - \$4,967. Largest expense was for disposal of tires \$1,274. The affect on the Road Paving Bond Fund will be approximately \$27,000. Steve Crawford suggested that the General Manager inquire about obtaining a variance from the DOH-SWS explaining our situation and how we handled prior road clearing and grubbing green waste while paving other sections of roads. A variance would allow the Association to do the same now while obtaining a permit for future operations and the \$27,000 would go towards a chipper or other improvements such as a fenced off area for storage bins for accumulated road trash and green waste. The General Manager will be making a presentation for such an area at May 21, 2014 Board Meeting.

The 2014-2015 Budget will be adjusted to increase Acct 5240 Tipping/Rubbish Hauling Fee \$20,000 and reduce Acct 5011 Road Materials Rock \$20,000. He will also include an analysis of the Road Paving Bond Fund.

Review all month end financial reports for May 2014

Review 2014-2015 Budget and finalize for Board approval.

Joan explained the need to use budgeted amounts in the Income Accounts 4010 thru 4066 on the Budget Performance Report. These accounts should reflect the amount of receivables we estimate to collect during the FYE 2014-2015 year and not the actual amount of receivables billed. Actual operating expenses for May 2014 are over budget due to more material being dropped on roads however year to date is **under** budget over all at 118% ratio Income to Expenses. Budgeted ratio is at 110%. Special attention was given to line items that are over budget and steps were taken in the 2014-2015 budget to correct these variances.

The 3 year Comparison Report and the Income Breakdown report reflect increase in collections due to the 2nd billing sent out earlier than last year. The committee also discussed using the transfer fee information to welcome new owners to the Association. Basic information about the Association along with a copy of the Bylaws will be mailed to the new owner by the office. At the June 29, 2014 Membership Meeting June will ask for volunteers to serve on a Welcome Wagon Committee who will be given a list of new owners by the office. The Committee members will contact the new owners and provide additional information and answer any questions they may have. This process might have a positive effect on future collection of road fees.

Review Investment Plans

The Finance Committee has prepared a report to present to the Board at the May 21, 2014 meeting which outlines several options for the Morgan Stanley Funds. The Finance Committee recommends moving half of these funds to a Home Street Business Money Market Account @.45% and the other half to FHS Federal Credit Union 24 month Share Certificate Account at the current May 2014 rate of .75%.

Update on progress of local collection agency for delinquent accounts.

June and Chris visited the collection agency to check on the 6 accounts that were turned over to them for collection. They spoke to the Manager and were told that the delinquent owners have 30 days to respond and so far there was no response from any of the owners. There was no progress report prepared by the agency. The next step is for the agency to contact all the owners. June will go back in a few weeks and check on their progress and demand to be given a progress report as that is part of the agreement.

Update on progress of collections of Japan delinquent accounts.

Nothing to report at this time

Update on progress of problems in Japan foreclosures.

The Maeda Accounts – The court granted the motion for the foreclosures to proceed thru escrow.

The Kanemaru Account- Was granted a default judgment and went back to court to set a date for the foreclosure sale.

Update on local gas credit card for Road Supervisor

Best option in this area for our needs is a Loyalty Card at Mint Stop in Orchard Land. The General Manager will handle this.

Update on implementing Extra Burden Fees

Next step is a site visit to verify that businesses are still operating and to prepare a presentation for the June 29, 2014 Membership meeting.

Update on Hui Path Development

The General Manager is waiting for a letter confirming that DNLR has cleared property in regards to iwi (Hawaiian human remains). The proposed path has been surveyed and the Path Committee is confirming that the area to be bulldozed is under an acre. Therefore no County Permit is required. The use of the bulldozer and operator are being donated. The Association Non Roads will pay for the fuel. Money for this project has been approved by the Board.

Election cost analysis

Joan prepared an analysis of election cost by district for Directors. This analysis is to point out that there is a cost to the Association when candidates volunteer and commit to serve on the Board. The term is for 3 years and when a Director resigns that District is up for election again so the cost is doubled and could be tripled if the other Director resigns.

Discuss schedule of Finance Committee Meetings per Bylaws

According to the Bylaws the Finance Committee is a committee of the Membership and is required to meet at least 3 times a year. Any more meetings are at the discretion of the Committee Chair who is the current Treasurer of the Board. To insure that there is full visibility of financial matters to the other members of the committee when there is no monthly meeting called by the Board Treasurer other members of the committee shall receive full monthly financial packets to review.

Meeting adjourned at 11:30 am. Next meeting June 12, 2014 at 9 am in the HPPOA Activity Center Library.
Respectfully submitted, Joan Galante, Treasurer