



## Hawaiian Ranchos

# Road Maintenance Corporation

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

Facebook: <https://www.facebook.com/ranchosroads/>

Email Address: [office@ranchos-roads.org](mailto:office@ranchos-roads.org)

## 2021 Annual Newsletter and Budget

HRRMC Established in 1991

### The HRRMC has one

**mission:** To maintain all the roads in the Ranchos subdivision, in a fiduciary responsible way.

### HRRMC BOARD OF DIRECTORS:

All Volunteer Staff

- Roy Thornton, President
- Curt Holyk, VP Construction
- Chris Pinnow, VP Legal
- Mats Fogelvik, Treasurer
- Gabe Hechler, Secretary
- Cheryl Vos, co-secretary
- Mike Gerbo, Director of Operations
- Phillis May, Office of Director
- Peter Bosted, Office of Director

HRRMC follows HRS 421j, 414d, and use Roberts Rules for meetings.

### Office Hours

The HRRMC office is open Mondays and Thursdays from 10-2 Call or email us if you have any questions or confusion about your HRRMC Board.

### Election 2021

- 10/7/21- Voting ends at 4:43 pm HST
- 10/8/21- Secretary confirms receipt. Results of tally sheet and sealed votes from independent outside election mediator.
- 10/9/21- Annual meeting to announce election results.

## Message from the President

Hello Ranchos Community. We have been hard at work on our roads this year. All of the potholes on the Boulevards have been repaired, and we are working on the Drives as I write. We will then work on the intersections and fix the damage from ATV's, vehicles, and trucks that are cutting the corners and digging out the loose rock. We have the rock and base material and when we get a good quality chip seal oil we will move forward. Currently, we are working on de-brushing our easements for better line of sight, painting our intersections, and repairing cracks on our roads. Your Hawaiian Ranchos Road Maintenance Corporation (HRRMC) has been dealing with many challenges thus far in 2021, including pandemic restrictions, the cost of goods going through the roof, disruptions from non-community members, and the continuing malicious lawsuits. The lawsuits that nine people in our community have filed against HRRMC and two of that group have cost just over \$92k, so far in 2021 money that was set aside for the new gates. Illegal disruptions from noncommunity members have incurred an additional \$5K, these people are known to hang out with the fake board. The HRRMC has won a major court case and expects to recover most of the cost associated with the fake board. This is due in large part to the tireless and relatively unrewarding work of our Board of Director volunteers. Your community representatives have conducted themselves in an upfront manner and managed road repair duties according to HRRMC's member's wants, bylaws and by most crucial, by State statutes.

### Budget Overview

In reviewing our history this board has found some major issues with road assessments and need the community's vote to remedy the situation. In 1994 your road maintenance dues were \$95 and today those dues are \$150 a year (an increase of 55%). This is below the national average inflation rate, which would make the 2021 dues \$174 (an increase of 83%, see <https://www.in2013dollars.com/us/inflation/1992>). Unfortunately, the cost of road materials has risen much faster than that. Back in 1994, chip seal was \$19k per mile and it cost \$30k a mile to completely resurface. Today those costs are \$86k (a 350% increase) and \$150k (a 400% increase) respectively. These costs were outside contractors working on our roads. Because these costs dominate our budget needs, the current dues should be approximately \$450/year in order to accomplish the same amount of road repairs now as we did in 1994, i.e. chip sealing and fog sealing over 5 miles a year on a 10-year plan. Our neighbors in HOVE are on a 10-year plan. Another cost that has increased dramatically is that for insurance, which used to run \$4,806/year but has jumped to \$17,003 annually due to the malicious legal battles that the HRRMC has been forced to remedy. For comparison, our neighboring subdivision, HOVE, charges \$150/year per lot. Since the lots in HOVE are almost all one acre in size, this is equivalent to \$450/year per lot in our subdivision, which are almost all three acres in size. The number of road miles per three acres is almost identical in HOVE and Ranchos, and wear and tear from sunlight and vehicles is approximately equivalent as Ranchos gets more sun and less rain than HOVE.

On the positive side, we have been able to reduce the cost for chip seal considerably by purchasing our own equipment. These saving are projected to allow us to improve about 2.5 miles of road a year with dues of just \$250 a year. This is the amount that the Board is proposing for 2022, to be voted on in the upcoming election. If \$250 is not approved, the dues would be \$175/year per, voted in by membership in 2016, and the board can request a 10% increase above the \$175 for a total of \$192.50 for 2022 assessments.

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## From the Office

*Continued from page 1*

### **Fees**

The annual fees are due by March, LATE FEES of \$25.00 (\$15 BYLAW, \$10 Admin Fee) IF payment is not postmarked or received by March 31<sup>st</sup> no exceptions. All invoices are sent out the first week of January. Contact the office if you do not receive your invoice.

### **Switching to Email**

Road maintenance is working towards switching all communication to email and online. **Election ballots** with a budget newsletter will be mailed to each member. Remember all proxies for voting are available on the HRRMC website only and will not be mailed out. If requested they can be emailed to you. Remember it is YOUR responsibility to make sure your contact information is updated and correct on file in the office. If you do not get your invoice, you still have to pay it on time.

### **Selling Property**

If you are selling your lot by quick claim or realtor, the new owner's information must be provided to the office, any overdue fees, assessments, liens, foreclosures, etc. still hold until all back fees have been paid in full. The fees are attached to the property. Don't wrongly assume the fees are not still due.

### **Board Members**

*All voluntary board members are Ranchos property owners and we welcome volunteers wishing to help improve our community. Please consider running for the board in the future and being an active part of your community.*

My communication to you is that without a substantial increase in assessments, we simply do not have enough funds to work on roads and install the new gates. Most of the lower subdivision is in critical need of chip seal, as nothing has really been done to them in close to 30 years. Our prior plan was for 1 mile of road a year, on a budget with assessments for \$150. We have 6.5 miles of road in critical need of repair today and close to 20 miles of road in need of repair or fog seal within 5 years.

In working on our budget and working thru our bylaws we plan to cut the cost of our mowing bill to almost nothing. In the past we had a volunteer who started mowing the easements for free and a board several years ago decided that when that volunteer left the board hired someone to replace him. This position was not voted on nor approved by the members and is not in our bylaws to mow the public easements. Unless you make this mandatory in your vote, we will stop this entirely, except for what is needed for safety at intersections.

Public Easement maintenance and New Gates are the job of the defunct Ranchos Community Association and should be paid for with its money. They build and HRRMC maintains. HRRMC put the question of new gates to a vote a couple of years ago to find out if Ranchos wanted a fully gated community, hoping that the cost would be reasonable and could be covered in our budget. The three bids for installing a new gate at two locations came in between \$50k and \$100k and we had 70k set aside. Unfortunately, the fake board legal costs have used that money.

Upon our reviewing the time our volunteers spend helping to maintain our roads, it has become very clear that we need to hire additional workers. Besides the staff we already have we must hire a part time Road Maintenance Chief Operating Officer (COO) to organize the employment of seasonal maintenance workers as well as run the overall maintenance program. This is again following HOVE as an example. The COO would be responsible for the Road Maintenance and the Office Manager would be responsible for the administrative issues. Both positions are necessary.

When you consider your vote, remember that our community is continually growing, and this past two years alone has seen close to a 100% surge in home building and that includes vehicle traffic. It is important that we address our ability to service the needs of the community in a thoughtful and long-term manner. Implementing a higher assessment at this time is essential in order to make this occur.

Sincerely,  
Roy Thornton  
President, Hawaiian Ranchos Road Maintenance Corporation

### **Reminder to all Property owners in Ranchos**

The Road Maintenance office and land is private property, owned by your legally elected Board of Directors. We have the right to refuse service and will not tolerate abusive behavior. All roads and easements in Ranchos are PUBLIC Easements as well as Easement Roads and accessible by all.

### **Easements**

All boulevards and Maile Drive have 60 ft easements. All other drives have 40 ft easements. These easements are community property, owned by all members. This entails keeping them clear of bushes, overhanging branches, and personal property/plants which infringes on the easement. Road Maintenance is responsible to maintain the paved areas and shoulders.

# Budget

		2020	current 2021	est ending 2021	proposed 2022	proposed 2023
<b>Operating Expenses</b>						
	Base Yard		\$ 23,366.48	\$ 25,000.00	\$ 5,000.00	\$ 10,000.00
	Road Repair/material	834.06	\$ 7,381.87	\$ 19,381.87	\$ 52,000.00	\$ 104,000.00
	Maintenance Tools/materials	\$ 5,342.61	\$ 215.92	\$ 215.92	\$ 2,000.00	\$ 500.00
	Building Repair Cost	\$ 208.21	\$ 252.42	\$ 3,252.42	\$ 3,500.00	\$ 2,500.00
	heavy equipment		\$ 25,000.00	\$ 50,000.00	\$ 35,000.00	\$ -
			\$ 454.75	\$ 2,000.00	\$ 5,000.00	\$ 2,000.00
	Lite Equipment/buildings	\$ 11,000.00	\$ 41,724.06	\$ 50,000.00	\$ 50,000.00	\$ -
		\$ 479.42	\$ 2,064.29	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
	Tractor	\$ 1,590.51	\$ 2,331.36	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
	Gate	\$ 2,658.67	\$ 729.84	\$ 800.00	\$ 10,000.00	\$ 500.00
			\$ 8,756.00	\$ 8,756.00	\$ 45,000.00	\$ 25,000.00
	Fencing		\$ 3,067.00	\$ 6,000.00		
<b>Administrative Costs</b>						
	Labor	\$ 27,917.74	\$ 21,260.30	\$ 55,000.00	\$ 97,000.00	\$ 97,000.00
	Insurance	\$ 18,861.95	\$ 2,574.00	\$ 20,574.00	\$ 21,000.00	\$ 21,000.00
	professional Services	\$ 11,884.05	\$ 6,884.25	\$ 7,000.00	\$ 2,000.00	\$ 2,000.00
		\$ 122,034.67	\$ 47,195.46	\$ 100,000.00	\$ -	\$ -
		\$ 2,700.28	\$ 5,063.47	\$ 6,000.00	\$ 2,500.00	\$ 2,500.00
		\$ 2,827.22	\$ 11,539.24	\$ 12,000.00	\$ -	\$ -
	Administrative/Taxes	\$ 3,904.92	\$ 4,554.12	\$ 10,000.00	\$ 8,000.00	\$ 8,000.00
	Postage/newsletter	\$ 3,851.00	\$ 2,164.70	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00
	Utilities	\$ 2,982.49	\$ 1,704.88	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00
<b>revenue</b>						
	Total Cost	\$ 219,077.80	\$ 218,284.41	\$ 388,380.21	\$ 350,400.00	\$ 287,400.00
	Assessment Income	\$ 199,674.87	\$ 202,681.93	\$ 205,000.00	\$ 263,500.00	\$ 316,200.00
	budget plus or minus		\$ (15,602.48)	\$ (183,380.21)	\$ (86,900.00)	\$ 28,800.00
	Percentage not Paid		14%			
		assessments	\$ 150.00		\$ 250.00	\$ 300.00
		<b>Not collected (unpaid Assessments)</b>	\$ 211,000.00			
	1054	Assessments Paid 2021	\$ 158,100.00		\$ 263,500.00	\$ 316,200.00
	172	Unpaid Assessments 2021	\$ 25,800.00		\$ 43,000.00	\$ 51,600.00
		In the bank	\$ 96,500.00			
		Fake Board payback		\$ 140,000.00		
		Approximate leftover		\$ 53,119.79	\$ (33,780.21)	\$ (4,980.21)

## 2022 Election Voting information for ballot

1. We are proposing the 2022 Budget assessments of \$250.00. Currently it has already been voted in 2016 to raise them to \$175, and the board, per bylaws can raise this 10%. As shown in our budget proposal with current material pricing and budget concerns we need to raise sooner than later. Shall the dues be set at \$250 a year starting in 2022?
2. Road work/gate plan, 1 miles chip seal in 2022 and start install of new gates. This is the proposed list of the worst roads needing chip sealed first, this list will grow each year. IF the increased assessments do not pass then we will plan on Chip sealing 1 mile of road and Gates built as funds become available. Roads are our priority. These are listed in order of need.
  - o Maikai Blvd dead end at Lanikai Dr to Tapa
  - o Prince Kuhio and Maile new Gate install
  - o Dead end of Menehune Dr at Prince Kuhio Blvd to Maikai Blvd
  - o Dead end of Tapa Dr at Prince Kuhio Blvd to Maikai Blvd
  - o Dead end of Poha Dr at Prince Kuhio Blvd to Maikai Blvd
  - o Kahili dead Blvd end at Lanikai Dr to Tapa
3. Using HRRMC equipment and labor, does membership want to pay for the Mowing of easements? – Cost approximately 20k a year for mowing. HRRMC started this by when old board that volunteered their time to mow. When the volunteer quit, the board assumed a cost it cannot bear in this economy that is not the responsibility of HRRMC unless membership wants to pay for it. Should we assume mowing costs as part of our budget? This position was not voted on nor approved by the members and is not in our bylaws to mow public easements. Unless this is mandated by your vote, we will stop this. If mandated by your vote we will create a special assessment of \$16.00 if the budget is not passed.

## Running for the Board

Aloha my name is Dahlia Kala, I have been a community member of HOVE Ranchos for over 13-years. My job in Education focuses on collaborating, communication, website management, and event planning. My bookkeeping and accounting experience in QuickBooks and business, both restructuring and transformations gives me an opportunity to work alongside the current board with budgeting, auditing, and support by working together in partnership, we can achieve something truly spectacular. Having worked with a variety of groups and organizations has allowed me to expand a diverse perspective. I would like this opportunity to volunteer and build toward the future of the people in our community. Mahalo!

Cheryl Vos, HRRMC BOD as Co- Secretary, Navy Veteran, PTA president, Recruitment & Marketing Director, Crew 4-Quest Lead, Census worker, Construction Contractor & Builder of homes and remodels and Executive Secretary & Communications Coordinator at Delta Airlines. I am currently the Executive Secretary & BOD member for TACAMO Community Veterans Association (Navy) since 2012, also the association's Communications Coordinator, Web Developer & Visual Designer and Reunion Planner. Awards, Honorary C-130 Naval Flight Engineer & Navy Chief for supporting active duty command at NAS OKC at Tinker AFB. Currently HRRMC's co-Secretary, Ranchos Block Watch & assisted with projects. I'm bringing positivity & better roads to Hawaiian Ranchos.

Gabe Hechler HRRMC BOD As Secretary, I have been on the HRRMC for seven years now and am humbly asking you cast your vote to allow me to continue serving our community. I retired from the United States Marine Corps, as an Assaultman, followed by an Explosive Ordnance Disposal Technician (Bomb Squad). I returned to academia earning a dual Masters degree from the University of Hawaii Manoa, and Bachelors degree in Psychology with a minor in Criminal Justice from Central Missouri State University. By serving on the board I want to keep moving forward with positive changes. I thank you in advance for your consideration.

I am Gail Sanabria. I am interested in helping our community flourish and am interested in becoming a member of the Road Maintenance Board of Directors. I worked over 28 years for the State of California, some years at the Department of Transportation (CALTrans). I also worked for many years for the Department of Health Services managing a \$23,000,000 program of over 60-contracts with local County Health Departments. This contracts consisted of scopes of work and budgets, auditing those contracts quarterly. I have held positions on several boards. I am committed to serving to the best of my ability. Thank you for your consideration.

GEORGE CLINE I have lived in Hawaiian Ranchos for 8 years. I retired after 20 years of working in the maintenance department of nuclear power plants. I have 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 our property values. Thank you for your consideration.

Mike Gerbo HRRMC BOD As Director of Operations, I have served on the board for the past 9 years. I work diligently as a volunteer on Ranchos Roads working checking our roads, gates, and employees weekly to check road damage and sign conditions. My background is road paving construction. From business operations, road crew worker, repair maintenance, with my family's paving company. My 21-years of history living in Ranchos is a valuable asset I bring to this board. My service in the Marine Corps and previous positions in other homeowner associations gives me years of experience and countless hours of volunteering my time improving our community.

NANCY BONDURANT, A Ranchos property owner since 2008, Nancy's experience includes a strong background in both the business and non-profit areas. She has excellent problem-solving skills honed through her experience as a union mediator and her years as an educator. In 2018, the membership voted for 2 more gates. Sadly, these additional gates have not been installed to protect the Ranchos community and our roads. Nancy is committed to gating our community, preserving our property values, having great roads and making our homes safer! Your support is appreciated.