

## Annual Newsletter and Election Ballot

### Message from the President

#### BOARD OF DIRECTORS – OUR CURRENT VOLUNTEERS

Roy Thornton, President

Chris Pinnow, VP

Packy Taylor, VP

Phillis May, Secretary

Mats Fogelvik, Treasurer

Paul Scott, Office of Director

Mike Gerbo, Office of Director

Gabe Hechler, Office of Director

Dear Ranchos Members,

Aloha to all our Ranchos neighbors and welcome to all our new property owners! Road maintenance welcomes you. Feel free to contact us at any time by phone or email or if you see us out and about stop and chat. See our new webpage for office hours and contact information.

It has already been quite a year in my time serving the community, I was nominated by the board in September of 2019 with my term starting in January 2020 by the Board filling vacancies by following the state statutes and bylaws. The Board elected me as vice president, then unexpectedly, Bob Werner stepped down because of a family emergency, I was then asked by the current board of directors to fill the position as President. As President, I nominated Chris and Packy respectively as vice presidents, one to oversee legal issues our community is facing and the other to get road issues moving forward. I am running for re-election to fill a three-year term to continue the positive progress

forward we have made this past year. In May the Board agreed that hiring a new lawyer to represent our corporation was needed and the firm of Jung & Vassar, P.C. was retained. Jung & Vassar quickly filed a motion on our behalf and on July 21<sup>st</sup> the Judge ruled in our favor on Counts 1 and 2 confirming that the 2018 attempt to remove and replace the Board was improper! I am so proud to announce that a major portion of this litigation has been resolved in our favor and we are moving forward as your road maintenance corporation to better our community for everyone.

By making the change of legal representation we are hopefully going to put the other two lawsuits in the past and bring our community together by being part of the solution and not part of the problem. There have been many other exciting and positive improvements and accomplishments in the past few months. The Board hired Mr. Glanstein, of Management Information Consultants of Honolulu Hawaii, a parliamentary consultant firm who specializes in rewriting Bylaws for corporations. These bylaws have also been drafted to comply with all applicable changes to Hawaii Statutes. By using Mr. Glanstein we are able to bring our bylaws into State compliance by having an outside independent source rewrite them to best avoid controversy. The proposed revised bylaws are posted on the website for your review under the BYLAWS, LITIGATION AND ELECTON page, please call or email us to request a PDF copy emailed directly to you. The proposed bylaws need approval by a 2/3 of members voting to pass, so please, it is important to vote and mail in the ballot using the self-addressed envelope provided, signed by you on the back. Another exciting change is having Board meetings via Zoom, no account needed, see our BLOG webpage to get the "join meeting" link for Board meetings via live teleconference. ALL community members may be present during meetings and feel comfortable and safe. We would love to see more Ranchos members joining us at the meetings to get informed on what is happening in your community. Also, we have a new look to the HRRMC Website. The BYLAWS, LITIGATION AND ELECTON page also shows important court documents, most recent audits and upcoming election information with all the current candidates that are running for this election. The current board is working to make it easier to find information you need to stay informed and up to date. We understand there is a lot of misinformation floating around in our community, we encourage you to get the facts firsthand by contacting your volunteer Board members via the webpage or email. **PLEASE VOTE and sign the back of the ballot envelope to have your vote counted.** Mahalo

**Current Board Members for Election**

**2020 Annual Membership meeting will be held on Saturday, September 26th at 4 pm via Zoom and link will be posted on our webpage at the HRRMC for you to attend. WE MAY CALL FOR THE MEETING TO BE IN PERSON AT THE Office located at 92-1347 Kohala Blvd. at 4:00 p.m. IF COVID19 RESTRICTIONS ARE LIFTED. Everyone is welcome to attend AND results ONLY will be announced at this meeting.**

Meeting Agenda

- Call to order
- Voting results
- Adjourn meeting

Go to Executive meeting and vote next year's

**Mats Fogelvik**

A resident of Ranchos for 10 years, Mats has been a board member since 2011. Native from Sweden, now a proven US Citizen. Mats served as president for 5 years and is currently the Treasurer. Mats has been instrumental over the years in the leadership of the Board and countless hours of volunteer time to the community. In the light of the current situation of unresolved lawsuits, Mats is offering to stay on the board for another term to offer his help to resolve the issues and move HRRMC forward in a positive light. Mats asks for your vote in this election.

**Roy Thornton Jr**

As the current President of the HRRMC, Roy has executed many needed changes, updates, and reorganization to bring the corporation up to date. Roy has been instrumental in implementing changes bringing us into State compliance, introducing Board meetings via live teleconference, and getting tasks done. He has proven to put the community first and not himself. Roy brings 27 years of experience in Budget Analyst, Independent Contractors Bids, Contracts, Construction Management, and Human Recourses. His expertise brings unbiased implementation to the Board to ensure factual, honest, execution of community wishes and needs. Roy asks for your vote in this election. Sincerely,

Roy  
Bachelor's Degree -Management  
Associates Degree- Construction Technology  
Associates Degree- Business Administration  
Associates Degree- Human Recourses

**Chris Pinnow**

Aloha neighbors. Currently serving as your Vice-President at HRRMC with the best interest of all my community members, I have provided input, oversight and technical expertise to our board and in support of President Roy Thornton. I am dedicated toward completion of facilities upgrades, road maintenance operations, entryway plans and construction. During my short tenure, I've attained qualified knowledge of State laws pertaining to administration of our corporation, and their application. I would like to continue ensuring a smooth and consistent operation to keep Ranchos roads in good shape. I look forward to the future with excitement! Mahalo,

Respectfully submitted, Christopher Pinnow, P.E.  
Professional Civil Engineer, HI, CA

**Nominees from Community Members**

**Peter Bosted**

I am a Full-time resident of Ranchos since 2010. Semi-retired research physicist still working from home one day/week. Professor at College of William and Mary. Oboeist in two orchestras, the County Band, the ballet company, and various shows. Helped save (so far) Ranchos from becoming an industrial solar farm by co-filing with Annie Bosted a Formal Complaint with the Public Utilities Commission, with follow-up as recently as February 2020. Involved with several conservation groups, including being a Director of the Cave Conservancy of Hawaii. Have had two chip-seal driveways put in, and one concrete driveway pad.

**Curt Holyk**

I have been a homebuilder for over 40 years, working in the housing industry, including architectural design. As a member of this community, I will place maintaining our road system as a top priority to this community. I bring a wealth of experience in what it takes to make our communities a place we can all call home. I would be honored to share my life experiences and skills with the community. I look forward to serving the community and thank you for your vote of confidence. Respectfully yours, Curt Holyk

Experience: BA from Washington State University, Suma Cum Laude in Social Sciences  
Served other HOA's in Washington State and Owner; Classic Home Creations

**Maria Holyk** \* not same household or TMK as Curt

I have been a self-employed general contractor for 15 years, working closely with clients and subcontractors to ensure a quality product. Maintaining our roads and integrity of the community is important to me. With the interpersonal skills,

leadership experience, and love for a safe community I believe I have a lot to offer not only to the Board but to every member of the community to ensure our roads are maintained and community voices are heard. I can bring my experiences and skills to this Board to help affect positive outcomes to the benefit of all of us in the Ranchos community.

Thank you, Maria Holyk

Experience: Owner at Classic Home Creations; 2005- Present

Board of Directors Treasurer for Non-Profit Volleyball Club; 2018-Present

Auction and Sponsorship Coordinator for Scholarship Program within Non-Profit Volleyball Club; 2016-Present

Served other HOA's in Washington State; 2015-Present

### **Self-Nominees**

#### **George Cline**

I have lived in Hawaiian Ranchos for 7 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. GEORGE CLINE

#### **Nancy Bondurant:**

Aloha! A self-starter, I worked my way through three college degrees, eventually earning a Doctorate in Music. I bring to the board my knowledge of the nonprofit sector, Hawaii State Statutes, and HRRMC Articles of Incorporation and Bylaws. I have strong administrative skills, office skills, financial management, communication skills and effective problem-solving skills. Through my family, I have a background in hard work, mechanics, project supervision and cost analysis. I have been a property owner since 2008. It would be my pleasure to serve my community.

### **Road Maintenance Report**

For the end of 2020 we want to take a new approach and look at doing cost analysis of performing our road work in-house and what those cost would entail. Since this year's ballot is early, I am asking the members to vote on what they want and will allow us to pursue. First off, we would like to buy the necessary tools, equipment, vehicles to work on potholes and fill cracks and be able to re-rock sides of the roads and fix sections of roads that have worn down over years of use. We would like to investigate building a storage building to keep our inventory safe from theft. Our roadwork plans this year looks a lot like past years plans, but next year would have a lot more detail. We do not plan to do any chip sealing or fog sealing in 2021 but will be filling potholes and cracks. For future thoughts on how to repair our roads please help us by voting.

### **Gate Update**

Existing Kohala Gate - New replacement motor and chain, the gate is faster now and more reliable.

New Gates - Unfortunately, the set \$50,000 budget approved earlier may not be enough to fully finish the project. We will update costs as soon as the permitting process is done. It may require up to \$20,000 more depending on community volunteers. Design is completed, permits are in the process, and as you know the State of Hawaii moves slow. Electrical schematics, aluminum/steel 12' gates, rock wall, and ground installation bids have been submitted, see website for all bids submitted. (Please note, we must trench the road to lay the electrical lines under the road one at a time to lessen any inconvenience to members.) We want to assure you, we, your Board are working as fast as possible to get the gates installed. If you have any experience with any of the many construction phases, please call us, we welcome all help in getting the gates completed and installed. To save money and time we have had volunteers and board members work to do all they can to move the project forward. The money spent on legal counsel has delayed the project, but we hope to have it started before the end of the year.

**HRRMC Financial Report and 2020 Proposed Budget**

**Balance Sheet**

	09/30/19	7/30/20		
<b>Assets</b>				
Cash	303,986	354,202		
Accounts Receivable	209,906	18,763		
Fixed Assets	156,893	156,893		
<b>Total Assets</b>	<b>670,785</b>	<b>529,858</b>		
<b>Liabilities</b>				
Taxes	780	679		
Loan (this is not personal loans)				
Accounts Payable	10			
<b>Total Liabilities</b>	<b>790</b>	<b>679</b>		
<b>Equity</b>				
Opening Balance	406,988	406,988		
Retained Earnings	115,876	45,285		
Net Income	147,131	76,906		
<b>Total Equity</b>	<b>669,995</b>	<b>529,179</b>		
<b>Total Liabil/Equity</b>	<b>670,785</b>	<b>529,858</b>		
	<b>2019 Actual</b>	<b>2020 Projected</b>	<b>2020a (30July)</b>	<b>2021 P</b>
<b>Income:</b>				
Assessment Fees	197,200	197,200	164,558	184,050 (\$150x1226)
Other Income (1)	3,800	3,800	2,355	3,800
<b>Total Income:</b>	<b>201,000</b>	<b>201,000</b>	<b>166,913</b>	<b>187,850</b>
<b>Operating Expenses:</b>				
Road Maintenance	150,000	100,000	0	100,000
Proposed New Gates (4)		50,000	20,000	50,000
Repairs	1,500	1,500	17902	5,000
Road Maint Payroll (3)	20,000	20,000	12250	30,000
<b>Total Operating Exp:</b>	<b>171,500</b>	<b>171,500</b>	<b>50,152</b>	<b>185,000</b>
<b>Administrative Expenses:</b>				
PayPal & Bank Charges	1,000	1,000	1064	1100
Insurance	5,000	5,000	15,000	15,000
Professional Fees	45,000	45,000	75,427	90,000 (should be \$10,000)
Utilities	4,000	4,000	1,452	4,000
Office Expenses	4,000	4,000	2221	4,000
Admin Payroll Expenses	10,000	10,000	8,000	15,000
Taxes	500	500	500	500
<b>Total Adm Expenses:</b>	<b>69,500</b>	<b>69,500</b>	<b>103,664</b>	<b>129,600</b>
<b>Total Expenses:</b>	<b>201,000</b>	<b>241,000</b>	<b>153,816</b>	<b>314,600</b>

(1) Other income includes: interest, Aloha Broadband tower rent;  
 (2) Legal fees;  
 (3) Payroll expenses separated. Road Maint payroll moved to maintenance expenses;  
 (4) Budget line item per gate committee proposal.

Road Work Plan 2020

1. Road repairs as needed.
2. Mowing and trimming of shrubs and trees infringing on road easements.
3. Replace faded signs with new signs.
4. Fill potholes and fix edge road surfaces – purchase needed equipment for this
5. Inspect and prioritize roads and intersections in need of repairs.
6. Major road work areas identified by the Road Maintenance Committee.
7. Analyze purchasing our own equipment to either chip seal or pave all our roads and do a cost comparison versus hiring a contractor
8. Build an equipment shed for road working equipment

**Contained on the Ballot**

Per HRS 414d-111 and our bylaws it takes 10% of the registered lots to be eligible to pass this election. 123 votes. Please cast one (1) vote for each Ranchos TMK lot owned by you on each item below. (NOTE: each Ranchos lot is 3 acres—Do Not mistake this for 3 votes.) For example: each 3-acre lot is a vote so if you own 2 lots, you should write a 2 in either the YES or NO space. If mailed, your completed ballot and signed envelop must arrive no later than September 24, 2020, 5pm HST to be eligible to be

counted. See webpage for a copy of the proxy. See webpage for bylaw changes. [ranchos-roads.org](http://ranchos-roads.org)

#20-1: Adopt new bylaws as written by legal means and changes made by independent outside agencies. See full Bylaw re-write on HRRMC website, if requested a copy can be emailed to you.

20-2: Adopt current maintenance plan and expenditures.

20-3: How do we accomplish Road Maintenance with the equipment we currently have? Currently we have no efficient equipment of our own to fix the roads. In the past all road work has been done by subcontractors that have been extremely difficult to find or do a satisfactory job. For years we have made do with the lack of professional and worker friendly equipment to fill potholes, fix road edges, and fill cracks in our roads. Road Maintenance would like to purchase the right equipment for the job at hand and create better storage space to house all the equipment under one roof. We need a vehicle, a way to haul rock, a way to heat up road tar and asphalt, plus a building to keep it safe in. We want your Maintenance team to accomplish roadwork in our community versus hiring an outside source. Set a \$60k budget for purchasing this equipment each year for the next three years.

20-4: Adopt a three-year plan either purchase asphalt equipment to repave our roads or, our own chip-sealing equipment to re-rock/seal our roads. Utilizing about \$40,000 per year. At present we are hiring subcontractors to chip seal at an average of \$75k per mile.

20-5: Allow family members of board members to bid on a project or work in the front office as a subcontractor or employee? We need highly qualified people to help with bookkeeping and front office duties and finding qualified and trustworthy people has become difficult. This will save us having to contract out and improve our bottom line. Too many tasks are having to be contracted out and it is affecting our bottom-line. We propose a hiring committee to pick the right candidates and allow all community members to be able to apply.