

KALAPANA SEAVIEW ESTATES COMMUNITY ASSOCIATION

12-7017 Kalihikai St. # 4537 • Paho, Hawai'i 96778

Annual General Membership Meeting (AGM) April 30, 2023

Draft Minutes

1. Call to Order and Welcome: 1:15 pm, Opening remarks from the President: Robert provided an overview of Bylaws, Board guidelines and proper decorum and asked for patience and consideration. There will be a time limit for talking and there will be a timekeeper.

Robert stated that this is the annual meeting of the association and only landowners in good standing can vote and be heard. This is not a public meeting. Robert recognized there are issues with the Bylaws in regard to 421J. Robert invited people to come to the monthly Board meetings.

Robert said many homeowners have asked for KSECA to have events and parties. He invited people if they have ideas, to come together and create proposals. The Board's responsibility is to take care of the primary business of the association, but residents are invited to organize events such as holiday parties, etc., and bring it to the Board for approval.

Robert reviewed the agenda and asked for volunteers to serve on the election committee, then voting will take place.

Once the elections have taken place, the new Board members will join the Board and the motions posted in the newsletter will be voted on. After that, new motions can be made; if any are seconded, they will go on the agenda at the next AGM.

Robert called the meeting to order at 1:30 p.m.

1.1 Confirmation of quorum: Present were Board Members Robert Stearns (president), Ursula (Uschi) Snover (clerk), Diana Angell (director at large), Kevin Sulgit (treasurer), and Skyler Kodani (director at large), Jhayne Wessel was absent. Also present were 80 members. Quorum for AGMs is 12 members; quorum was achieved.

John gave the proxy report: 20 proxies were assigned to individuals plus the 4 proxies assigned to the Board that were given to Uschi. Two letters of Authorization were invalid as they did not comply with the Bylaws.

John stated that 153 ballots were distributed today, including the proxies. With the 4 votes assigned to the Board, the total was 157 votes.

Robert asked for a show of hands of people willing to serve on the election committee. There were 12 volunteers.

1.2 Additions and Corrections to the Agenda: The Agenda was accepted as presented.

2. Treasurer's Report: Kevin deferred to bookkeeper Patti, who then gave the treasurer's report.

The annual financial report for 2022 was published in the Newsletter. As of 12/31/2022 \$29,796.01 were in our bank accounts and \$62,467.31 as of 04/30/2023.

Robert thanked Patti for her service as bookkeeper, she will be retiring after the AGM. KSECA is still looking for a new bookkeeper because the bookkeeper who was contracted had to resign due to family issues..

Robert said the monthly expenses fluctuate. Currently KSECA is spending around \$3,000 a month for contractors. He thanked the current contractors for their service.

Kevin stated that the cost of living is going up for everyone. Dues were raised from \$50 to \$100 annually and he acknowledged this wasn't popular, but there were many reasons KSECA needed the additional money. The conversion from cesspool to septic might be required soon, and the new bookkeeper cost will likely be double. Operating budget in the past was \$30-40K a year, and it will now be higher. Insurance for the park and indemnity insurance for the Board are required by law and cost of living for contractors in general have all gone up.

A Resident said that substantial expenses should be voted on by the membership. Cesspool to septic is expensive, there are cheaper options like a composting toilet.

A Resident asked if KSECA is treating for fire ants. Robert said they had to par back as they were running out of money. The new Board will address this.

Skyler motioned to accept the Treasurer's report, Uschi seconded. Members voted; the Treasurer's report passed as presented.

3. Minutes April 10, 2023 BoD Meeting: A Resident questioned why Diana was still serving on the Board since she had not paid her dues. Robert explained that her property is in Escrow. Diana won't be voting but she is still eligible to serve on the Board.

John explained that in 2014 the Board rule was made to vote in 3 Board members in odd years and 4 Board members in even years. Jhayne's and Skyler's terms end at this AGM; there is a vacant seat, so there are 3 Board positions to be filled today.

Diana read the minutes from the April 10, 2023, meeting. Robert suggested a Board vote to approve the minutes because most AGM attendees were not at that meeting. Kevin motioned to accept the minutes as read. Skyler seconded. Ayes from Skyler, Robert, Uschi, Diana and Kevin. Vote was unanimous with Board members present. Motion passed.

4. Elections and Voting: Robert asked the election committee volunteers to sit together at one table.

Volunteers on the election committee were: Sheryle (Sativa) Sultan, Julia Sativas, Terry Okray, Tiki DeGenero, Kevin Horton, Stephan Hewitt, Jack Hash and Rebecca Martin. John explained the counting process to the committee.

Robert described desired qualities in a Board member:

- Attending meetings monthly. Get along with people.
- Somebody who can act as scribe, do agendas and notes.
- People with treasurer skills, reconciling bank statements and with a good sense for numbers, computers and quickbooks.
- Most important is that people want to do the job in the interest of the whole community.
- Rhianna said that there's additional time outside of the meetings, approximately 20 hours a month.

The floor was opened for nominations.

Gary Polinsky, Adam Sativas and Laurie Laughlin were nominated and accepted.

Galen Alpine, Kristen Lowery, Sativa, Greg Ward, Helen Noble, Gina ?, and Stephan Hewitt were nominated and declined.

A motion was made by a member to close nomination and seconded by another member. Motion passed.

A motion was made by a member to accept the three nominees and voting be closed. John seconded.

The nominees were invited to give a statement.

Gary has been in Seaview for 11-12 years. He would like to see changes and improvements in how things are run. He can commit the time. He thought KSECA should be audited every year. Re the proposed rules on the parks, he thought they should have been voted on individually. Re the bylaw changes, he said if non-members are on the Board, they can vote out owners. He wants to see people in the community to be more active.

Laurie has been here for 20 years. Has seen it go from very minimal to what we have here now. She wants people to come back to the Aloha. She is totally pro the drum circle. She wants to hold the Aloha. No non-owners on the Board.

Adam moved here last November. He's a social worker and certified drug and alcohol counselor. He's worked with non-profits. He and his wife could have lived anywhere but they chose here because they think this is a great community. Saw that this was a place where people still live and work in community. He knows Robert's rules of order. He does not have an opinion about non-owners on the Board. Re the park rules, there are many ways to have safe, legal gatherings at the park.

John moved that we accept all candidates. Jeff Ackert seconded.

Discussion about whether the vote should be done by ballot. John rescinded his motion.

John motioned that there can be no cumulative voting. Motion is seconded by Sativa. Motion passed. Only vote for the candidate you want to vote for.

Break for lunch and voting.

Robert thanked everyone for their patience. Voting was to resume on the motions in the newsletter once the election ballots were counted. Copies of the newsletter were available to review the proposals.

All candidates received more than 51% of the vote; Laurie, Adam and Gary were elected.

Robert asked the elected Board members to join the Board at the Board table. The new Board members were welcomed.

5. Old Business: a. Vote on Bylaw changes

i. Non-owners on the Board: John explained that voting "aye" meant only owners on the Board. Voting "nay" meant that the Bylaws stay the same and non-owners can serve on the Board. John explained that 421J prohibits non-owners from voting via proxy at Board meetings.

A member moved to move forward on the vote. John seconded. Motion passed.

Sativa spoke in favor of the motion to keep only owners on the Board. Non-owners have no stake and should not be on the Board.

Kristen said that the letter of authorization occurred because there weren't enough people who wanted to serve on the Board. An owner as well as a non-owner can make mistakes. Good people like Mark Hinshaw, Hazen Komraus etc. served on the Board in this capacity. If we vote out the letter of authorization, does that also take away the requirement to notarize proxies?

Robert clarified that this is a separate issue that can be addressed later.

Terry asked if a non-owner board member can't vote at a Board meeting, then why put them on the Board to begin with?

Patti stated that if you are a couple and you aren't married, this amendment would limit the partner from being on the Board. There are many reasons that relationships of committed people may hold title in different ways.

Robert said there are a lot of issues with the Bylaws and they won't be solved all today. He invited the community to volunteer for the bylaw review committee, which can submit recommended changes to the Board to go in the newsletter.

John said the Bylaws are out of compliance with 421J right now. This issue must be fixed. He acknowledged that Kristen made a good point that at the time this change was made, the association needed the help. But mistakes were made by non-owners.

Tim made a point of order that we should call the question. Motion seconded. Vote is called.

120 people voted to not allow the non-owners from the Board. Only 5 voted in favor of keeping non-owners on the Board. Motion passed.

ii. Audit: Rhianna explained that voting "aye" moves audits to a every 4-year audit cycle and voting "nay" maintains the every 2 year cycle.

A Resident asked what do we gain by doing it every 2 vs. 4 years?

Patti would not recommend going 4 years without an audit. It's too long. The longest she would suggest is 2 years.

Robert said that CPAs have said that for an association of our size an audit is expensive and probably not necessary more than every 4 years and that 2018 the last audit was done.

A member motioned to end discussion, another member seconded. Vote is called.

Robert suggested for people to be able to submit their ballots on the remaining measures if they don't want to be involved in the discussion and rather go home. The Residents voted yes that those who want to vote on the two remaining issues can do so. The Ballots for the audit vote were collected in a blue box and ballots for the park policies and rules in another box.

122 people voted nay and 19 people voted aye, motion failed. Audits remain to be required every 2 years.

b. Seaview Park Policies and Rules: While waiting for the results of previous votes, Robert gave the background on Park Policies and Rules. Robert read Bylaws Art I, sect.2, H. into the record which states that the power to change park rules and policies lies with the Board. Robert said the Board opted to get community approval.

If the motion passes, it will become our current park policy and rules. If it doesn't pass, he wants the Board to listen to both sides of the issue and the Board will address this topic at later Board meetings and might pass a revised version. That version does not have to be voted on at an AGM. Robert encouraged people to come to the monthly Board meetings.

John said he believes pattern and practice would dictate that if rules are voted down they have to come back to the AGM for vote again.

Kevin said if the membership votes in favor of keeping Sunday funday, the Board will be tasked with properly permitting the event.

Voting “Aye” meant yes, you want the changes, voting “nay” meant no, you do not want the changes.

A Resident thinks we should be able to vote on separate rules and thinks that closing the park to non-residents will cause problems. And that more bathrooms are needed. Hire private security and clear the park on Sundays. Loud music should be approved by the Board.

A Resident asked where do people go to the bathroom? Another Resident asked if insurance cover the event.

Dana answered that the likelihood of insurance covering the event at the park on a Sunday is unlikely. For the Board to know about it and not get a rider from the insurance, is a reason for them to exclude.

Laurie said she loves the event, thinks it’s beautiful and thinks we just need to put up a sign to exclude liability.

A Resident said he thinks the Board should just impose rules when needed versus imposing this slate of rules.

Laurie thinks the rules are too strict. Having the park closed to non-residents is not aloha. The parking permits are unnecessary. Wholesome family gathering place.

John noted that the insurance company will look for any reason to deny coverage so we need to be careful.

John called for the vote. Sativa seconded. Vote is called.

Robert said if we are going to keep that event, we are going to have to regulate it.

A Resident suggested a berm to prevent parking on the lawn. He loves the drum circle. Another Resident thought the rules are too restrictive and didn’t like the hour limitations.

New Park Policies and Rules failed with 53 ayes, 63 nays.

6. New Business:

1. Sativa motioned that the KSECA Board shall raise the annual membership dues with a 2/3rds membership vote at any KSECA Annual General Meeting. Gary seconded.

Kevin said that the Board has a fiduciary duty. 2/3rds of a vote is 600 votes. Sativa clarified that it’s a 2/3rds vote of voting members at the AGM.

2. Sativa motioned that the Bylaw Review Committee shall be reconvened as needed with a 2/3rds membership vote at any KSECA Annual Membership Meeting. Gary seconded.

3. Sativa motioned that all proxy forms shall be notarized. Seconded by John.

4. Sativa motioned that the association shall have the right to create membership committees with a 2/3rds membership vote at any KSECA Annual General Meeting. John seconded.

All four motions are Bylaw changes, the full text with the rationale for each motion is attached to the minutes.

5. John motioned to reduce the dues to \$50 for vote at the next AGM. Sativa seconded.

7. Adjourn: A Motion to adjourn was made and seconded. The meeting was adjourned at 5:56pm.

Minutes submitted by Dana Butler

Aloha KSECA board,

This is a motion for a proposed amendment to the bylaws to be published in the 2024 KSECA AGM newsletter so that it can be voted on at the next KSECA AGM.

Mahalo,
Sheryle Sultan

ARTICLE I

Association

SECTION 1: The Organization –

Park Maintenance Fees and Membership Dues: Means the mandatory annual assessment levied by KSECA as determined by the Board for the maintenance and improvement of the private commonly owned parks, and which shall also constitute the annual membership dues. The KSECA board shall raise the annual membership dues with a two-thirds membership vote at any Kalapana Seaview Estates Community Association Annual General Meeting.

Rationale: The rationale appears in the opening statement of the KSECA bylaws under ARTICLE I, Association SECTION 1: The Organization – (KSECA) was established as a nonprofit **community-directed** association by parcel owners of Kalapana Seaview Estates (KSE). As a "community directed" association, the members hold the ultimate position of authority and determine the action to be taken.

Aloha KSECA board,

This is a motion for a proposed amendment to the bylaws to be published in the 2024 KSECA AGM newsletter so that it can be voted on at the next KSECA AGM.

Mahalo,
Sheryle Sultan

ARTICLE XII

Bylaw Review Committee, Amendments and Corrections

SECTION 1: Bylaw Review Committee (BRC)

The BRC, a standing committee, shall be convened as needed, with a two-thirds membership vote at any Kalapana Seaview Estates Community Association Annual General Meeting, composed of Association Members volunteering for the task of proposing bylaw revisions and amendments to be presented to the association and the Board for approval, publication and future adoption.

Rationale:

ARTICLE I

Association

SECTION 1: The Organization – Kalapana Seaview Estates Community

Association (KSECA) was established as a nonprofit **community-directed association** by parcel owners of Kalapana Seaview Estates (KSE). As a "community directed" association, the members hold the ultimate position of authority and determine the action to be taken.

Aloha KSECA board,

This is a motion for a proposed amendment to the bylaws to be published in the 2024 KSECA AGM newsletter so that it can be voted on at the next KSECA AGM.

Mahalo,
Sheryle Sultan

ARTICLE V

Nominations and Elections

SECTION 4: Proxies – The Association will provide official proxy forms to the membership in accordance with HRS Ch.421J-4. All proxy forms shall be notarized.

Rationale: The main purpose of notarizing documents is to ensure proper execution and to deter fraud.

Aloha KSECA board,

This is a motion for a proposed amendment to the bylaws to be published in the 2024 KSECA AGM newsletter so that it can be voted on at the next KSECA AGM.

Mahalo,
Sheryle Sultan

ARTICLE VIII

Committees and Contracting Services

SECTION 1: Committees

B. The Association shall have the right to create membership committees, with a two-thirds membership vote any Kalapana Seaview Estates Community Association Annual General Meeting, and to confer upon such committees such powers as may be necessary to carry on or exercise any of the powers of the Association not contrary to its Articles of Incorporation or its Bylaws and shall be independent from the Board.

Rationale:

ARTICLE I

Association

SECTION 1: The Organization – Kalapana Seaview Estates Community Association (KSECA) was established as a nonprofit **community-directed association** by parcel owners of Kalapana Seaview Estates (KSE). As a "community directed" association, the members hold the ultimate position of authority and determine the action to be taken.