



Orchidland Estates Newsletter

Orchidland Community Association, Incorporated
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www.orchidland.org

OFFICERS

PRESIDENT
VACANT

VICE PRESIDENT
WES OWENS

SECRETARY
FRED McCONNELL

TREASURER
YEN CHIN

DIRECTORS

ROGER HAWNEY
DENNIS McCARTIN
D'ARTAGNAN JOSEPHSON

RMC COMMITTEE

DENNIS McCARTIN
D'ARTAGNAN JOSEPHSON

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NANCY HAMMACK
LUKE BAILEY
DALE SIMS
TREVILLA WILLIAMS
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PLANNING

KIRSTIE GOIN
VICKI PATTERSON
WES OWENS

EMERGENCY PHONE TREE

PATRICIA JAWORSKI

WEBMASTER

WES OWENS

MEETINGS

BOD—4th MONDAY

RMC—2nd MONDAY

6:30 P.M. EACH MONTH AT
OLCA'S COMMUNITY LOT, OR
AS POSTED! – 36TH AVENUE
AND ORCHIDLAND DRIVE,
KEA'AU/MAUKA SIDE,

**EVERYONE IS
WELCOME!**

BOARD OF DIRECTOR'S MESSAGE

Greetings from the Board of Directors,

Everywhere we go these days, we hear talk about the economy and how shaky things are getting or how the sharp downturn has affected someone directly or indirectly. The last thing any of us needs is another bill. However, that is exactly what accompanies this newsletter. As we hope you know, earlier this year the Association asked the membership if they would approve a special assessment to establish a legal defense fund. The members voted with a result that is overwhelmingly “yes”, so everybody gets a bill for \$50 per lot, plus any outstanding fees that you still owe.

Please think of this bill as an investment in the community in which you live and/or own property. We believe this is a good investment. It will increase in real value as time passes. The financial difficulties the world faces today may not go away soon, and building and having a strong community of neighbors will prove priceless during such times. Even in good times, such a network enhances our lives.

We have some advantages over many other communities – large lots and a year-around growing season are obvious. If you do not know how to grow things, your neighbor probably does. A bit more dirt would be nice. We are already accustomed to getting by without government services, or even utilities in some instances. What we have not quite figured out yet is how to work together as a community.

Figuring this out has probably been made more difficult by the Association's decision to pursue foreclosure as a means to collect unpaid fees from lot owners who were delinquent. The Board made that decision more than three years ago, and even though none of the individuals who served on that Board continues to serve today, the consequences of that decision remain with us today. Though the consequences were surely unintended, they are very real. Our need to establish a legal defense fund is just one of those consequences.

We, the current Board, are a small group of dedicated individuals trying to bring “community” back into the association. However, we cannot do it by ourselves; we need your help. So please pay your Association bill in full. We need your support if we are ever going to show that the friendly approach can be as effective, or more so, than the aggressive one. We can negotiate payment plans. We have no desire to take aggressive court action against anyone, but the ruling in the OLCA v. Murakami case instructs us that the only means we have to enforce collection is through first getting a court judgment and then placing a lien on the property owner's assets.

If your property currently has a lien against it, the lien will be removed at our expense, but again, the next lien will be more costly because of the need to include court costs, so there is a window of opportunity for you to address this now and save some costs.

Another incentive for being caught up is voting. As the smoke clears from the legal mess, we find several areas of our bylaws that need attention. If your MRMA's are not paid in full, you will not be allowed to vote on these governing documents that affect you. This bylaw on voting requirements, in itself, is very controversial, but it is in there, and it can only be changed through the process that it dictates. Or,

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BOARD OF DIRECTOR'S MESSAGE

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perhaps by legal action, but we have had quite enough of that, thank you.

In our last Board meeting at Blane's Drive-in, there was some reminiscing about when we had meetings on the community lot. We would rather meet under a tarp on our own property than in Blane's air-conditioned splendor. Even better, and probably acceptable to more people, would be a building on the lot. Our nucleus. A place for meetings, swap meets, art shows, seminars, jam sessions, luau, yoga classes, etc. If our community is ever to work together, we need a place to do it. We have the lot and some approved building plans. We need the building. We will be discussing ways to do this, in addition to the many other agenda items, at the next General Membership meeting at 8:30am on April 25, 2009, ironically at the Hawaiian Paradise Park Community Center on 16th & Makuu.

~ Aloha

LEGAL UPDATE

We still have two open lawsuits. In the foreclosure action OLCA versus Murakami, Ivan Van Leer as the association's legal counsel for the counterclaim has replaced Stuart Oda. He has announced his appearance and offered to reopen discussions, but so far, there has been no response. This suits us just fine for now, as we are probably as tired of this as they are. When the time comes, we will be ready to discuss this situation in good faith and with any luck find a reasonable and amicable solution.

In Sung vs. OLCA (and 5 individual Directors) we still hold the position that the case is 100% frivolous and without any merit whatsoever, and we have seen no evidence that would suggest otherwise. We have received two settlement offers that we have found unacceptable, and we have responded with an offer of our own which also has not been accepted. Mediation and/or binding arbitration are being discussed, but the terms are still to be determined and agreed upon before either of these processes can be used. The Board is willing to talk with anyone, and we can be flexible, but not to the point of compromising the integrity of the association or any of its Directors or members.

The court filings have been posted on our website at www.orchidland.org, Association Business – Legal actions and files. Under the advice of our attorneys, we must keep the contents of our negotiations confidential until a settlement is reached. While some of us would prefer to share all information, these are the rules for now, and we understand the reasons for them. Patience is a virtue.

TREASURER'S REPORT

By Yen Chin

Once again, I have prepared a budget for the coming fiscal year (see page 3) that will run from July 1, 2009 until June 30, 2010. Last year when I made the budget for the current fiscal year, I did so with the belief that 75% of our members would choose to pay their Mandatory Road Maintenance Assessment (MRMA). In the past, the Association has been able to collect from at least three quarters of the owners. Even if everybody had paid his or her fees, the treasury would have been hard pressed to fund all the essential work.

Unfortunately, to date we have received payment from only about 60% of the members. This has left the treasury more than \$20,000 short of the projected income. Consequently, I have made the '09-'10 budget based on the assumption that we will receive payment from only 60%. If we collect from a higher percentage of members, we will be able to do roadwork that we had not planned to do. I hope that comes to pass because, as you will see if you look closely at the proposed budget, even with an increase to \$85 per lot, we will have no more income than what we projected for '08-'09.

If you wish to have a more accurate understanding of the Association's finances, you must first appreciate that we have money in four (soon to be five) funds: Road Maintenance, Paving, Capital, and Community Lot. Of these funds, the Road Maintenance and Paving funds contain by far the largest portion of our bank account, and the Paving fund has by far the larger amount of the two. Most of the Paving fund is restricted to pay for new paving, so we are able to spend the more than \$200,000 it takes to pave less than a mile of upper Auli'i Drive, but we have to search for a few thousand dollars to do the necessary drainage work to properly repair Orchidland Drive at 36th Ave.

Each of you have been asked to pay an annual MRMA and for many years an annual Paving Assessment. At this time, we also ask you to pay a one-time (we hope) special assessment of \$50 to establish a legal defense fund. The membership has approved all of these assessments; the Board of Directors has not arbitrarily decided on these billings. You all did.

If you attend the General Membership meeting in April, you will also decide on the fate of the proposed budget. I suggest that you have a careful look at the numbers.

~ Aloha



PROPOSED BUDGET FISCAL 2009 - 2010

LEGAL DEFENSE FUND

Road Income Budget

MRMA Current year	\$127,500.00
MRMA 07/08	\$3,000.00
MRMA Previous years	\$3,000.00
Bank Interests/dividends	\$2,000.00
Late Payment Interest	\$2,000.00
Side Road/other RM Donations	\$500.00
Total Road Income	\$138,000.00

Road Expenses

Administration Fee	\$56,240.00
to Paving Fund (\$5.5 from MRMA)	\$5,330.00
to Capital Fund (\$3.25 from MRMA)	\$3,280.00
Contingency/Misc	\$3,000.00
Equipment Maintenance/Storage	\$7,400.00
Fuel/Oil	\$3,500.00
Liability Insurance	\$8,000.00
Road Manager	\$8,400.00
Main Roads- Equip Rental	\$750.00
Labor	\$4,000.00
Material	\$4,000.00
Side Roads- Equip Rental	\$1,000.00
Labor	\$11,000.00
Material	\$20,000.00
Small Tools	\$800.00
RMC Cell Phone	\$700.00
Trash Removal	\$600.00
Truck Insurance/Registration	\$0.00
Total Road Expenses	\$138,000.00

Administration Income

Administrative Fee from RM	\$56,240.00
Bank Interests/dividends	\$0.00
Bounced Check Charge	\$0.00
Lien Charge	\$2,000.00
Litigation Reimbursement	\$0.00
Transfer fee	\$3,000.00
Total Admin Income	\$61,240.00

Administration Expenses

Accounts Receivable/Payable Clerk	\$7,800.00
Ballot Tabulation	\$300.00
BOD Insurance	\$3,500.00
Bond Insurance	\$1,000.00
CPA	\$1,500.00
Facility Rental	\$400.00
Liens Expenses	\$2,000.00
Minutes Recorder	\$3,200.00
Office Supply/Phone	\$1,400.00
Postage \$3,000.00	
Printing	\$2,100.00
Legal/Professional Fees	\$7,000.00
Records Keeper	\$10,000.00
Property Tax/Permits	\$600.00
Website	\$240.00
Misc	\$200.00
Collection	\$2,000.00
Contingency	\$15,000.00
Total Admin Expenses	\$61,240.00

The votes for this special assessment have been tallied. It passed, 255 yes votes and 141 no votes. This was a complex issue, and we thank everyone that voted.

This situation came about rather quickly, and there are some questions about how this fund will be used. We hope to address these questions at the membership meeting at 8:30am on April 25, 2009 at the HPP Community Center on 16th & Makuu in Paradise Park.

ROAD UPDATE

By Dennis McCartin

The paving preparation of Auli'i between 38th and 40th is underway. Yamada & Sons provided the lowest bid for the paving of 2" asphalt at +\$172,000. Our Road Manager, Gary Dalton, is doing the prep work at a cost of \$62,400. Paving was currently penciled-in to begin either March 9th or the 16th. A bid was also received for the paving of Ilima by Yamada & Sons for +\$98,000. However, we may not have enough in the paving fund at this time. If everyone were current with his or her paving fee assessment, then we could conceivably complete this section by the end of June. Then next year we could move on to the next paving project (or two) in the plan.

Road maintenance funds are still too low to provide an adequate level of maintenance that people will be satisfied with. We are looking at using the Kaboda tractor and a sled to drag some of the roads to get some of the material back into the pukas. We do believe we have enough funds to concrete 39th and Pohaku to a 12' width, and 4" thickness. Repair of this intersection is well past due. We will also prioritize repair work at 37th and Pohaku, 36th and Orchidland, 35th between Laniuma and Pohaku Place, and the "T" intersection at Pohaku Place and 35th.

The cost of materials has more than tripled over the past 2 years. We would like to use volunteer help as much as possible on road repairs. I really need volunteer "Road Captains" for each block to assist in determining and measuring the conditions of the side roads, and organizing work parties as materials become available. We also need volunteers to help clear back the vegetation at each intersection in order to maintain safer roads. We encourage everyone that owns a mower to mow the front of your property, and along the sides of your road so two cars can pass each other without getting their paint scraped.

Please come to a Road Committee meeting if you have any desire to volunteer, or send an e-mail to the Board.

~ Aloha

PROFIT AND LOSS STATEMENT
FISCAL YEAR JULY 1, 2008 - MARCH 6, 2009

Ordinary Income/Expense

Income

Bounced Check Fee	\$35.00
Capital Fund dividends	\$50.80
Lot Fund dividends	\$6.96
RM dividends	\$1,168.20
Total CU Dividends	\$1,225.96

Donations

Lot/Community Development.....	\$135.00
Paving donation.....	\$1,150.00
Side Road donation.....	\$740.00
Total Donations.....	\$2,025.00
Lien Payable to OLCA.....	\$-9,244.75
MRMA 08/09.....	\$161,705.00

Paving Assessments

2007 - 8th increment (8th paving due for fiscal 2007/2008)	\$-170.00
2008 - 9th increment (9th paving due for fiscal 2008/2009 period)	\$240,300.00
Total Paving Assessments	\$240,130.00

Transfer Fee.....	\$3,600.00
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Unearned

Unearned MRMA's	\$390.00
Unearned Paving.....	\$780.00
Total Unearned.....	\$1,170.00

Total Income	\$400,646.21
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Expense

Accounts Receivable Clerk.....	\$3,788.40
Ballot Tabulation	\$400.00

Equipment

Eq Maintenance.....	\$985.27
Eq Repair.....	\$167.09
Rd equipment storage	\$2,014.00
Total Equipment.....	\$3,166.36
Facility Rental.....	\$170.00
Financial Records Keeper	\$6,613.35
Fuel & Oil.....	\$1,621.82

Lien Expenses

Lien Release.....	\$725.00
Total Lien Expenses.....	\$725.00

Main Road Expenses

MR Equipment Rental.....	\$662.06
MR Labor.....	\$3,076.90
MR Materials	\$7,352.98
Main Road Expenses - Other.....	\$1,624.76
Total Main Road Expenses.....	\$12,716.70
Minutes Recorder.....	\$1,908.80
Office Expenses	
Office Supplies	\$389.83
Telephone	\$239.04
Office Expenses - Other.....	\$98.50
Total Office Expenses.....	\$727.37
Paving Expenses	
Paving Prep.....	\$31,807.62
Total Paving Expenses.....	\$31,807.62
Postage.....	\$2,085.47
Printing.....	\$1,357.51
PROPERTY TAX (Property tax on OLCA property)	\$501.84
Road Manager.....	\$5,062.80
Side Road Expenses	
SR Equipment Rental.....	\$312.00
SR Labor.....	\$2,360.34
SR Materials	\$5,062.16
Total Side Road Expenses.....	\$7,734.50
6180 Σ (Insurance) Directors/Officers Liability.....	\$4,054.00
Total 6180 Σ Insurance (Insurance)	\$4,054.00
6240 Σ Miscellaneous (Miscellaneous).....	\$709.63
6270 Σ Professional Fees (Professional Fees)	
Debt Collection (Collection Agency).....	\$1,695.21
6280 Σ Legal Fees (Legal Fees).....	\$10,162.63
6650 Σ Accounting (Accounting Fees).....	\$1,105.00
Total 6270 Σ Professional Fees (Professional Fees)	\$12,962.84
Total Expense.....	\$98,114.01
Net Ordinary Income.....	\$302,532.20
<i>Other Income/Expense</i>	
Other Income	
BOD Legal Fee (Money collected for legal Defense from Orchidland Lot Owners.)	\$300.00
4190 Σ Reimbursed Expenses (Reimbursed Expenses).....	\$-677.75
Total Other Income	\$377.75
Net Income.....	\$302,154.45



Orchidland Community Association, Inc.
P. O. Box 280
Kea`au, Hawaii 96749-0280

Do you want the opportunity to serve your community?

Do you believe that your skills and wisdom can improve the roads in Orchidland?

Do you want to learn about the challenges involved in operating the Association?

Then run for election to the Orchidland Estates Board of Directors. You could win a three-year term of office and the chance to assume an office like Treasurer or even President.

If you wish to run for Director, please contact the Association either by telephone at 808-934-7738 or by letter to: OLCA; Box 280; Kea`au, HI 96749, or via e-mail through our web site at www.orchidland.org or better yet come to the General Membership meeting at 8:30 AM on Saturday, April 25th at the Hawaiian Paradise Park Community Center and introduce yourself to the membership.

But hurry. Time is short. You need to submit your name for consideration by April 30, 2009 in order to make it into the next ballot.

808•934•7738
www.Orchidland.org/hotline.php



Road Hotline 808•966•4518
heyroadguy@gmail.com

Volunteers Needed!

ORCHIDLAND COMMUNITY ASSOCIATION GENERAL MEMBERSHIP MEETING

8:30 a.m. on Saturday, April 25, 2009

Hawaiian Paradise Park Community Center

16th and Makuu

Kea`au, HI 96749