

**KAHANA FALLS
ASSOCIATION OF APARTMENT OWNERS
AND
INTERVAL OWNERS ASSOCIATION
FINANCE COMMITTEE MEETING
TELEPHONIC**

WEDNESDAY, SEPTEMBER 7, 2016; 1:00 P.M. (PDT)

MINUTES

I. CALL MEETING TO ORDER / ROLL CALL INTRODUCTIONS

Chairperson Jesse Arman called the meeting to order at 1:02 p.m. (PDT) and welcomed everyone to the meeting. The following persons were in attendance.

COMMITTEE MEMBERS

Jesse Arman (chairperson)
Richard Roll
Katherine Ivey
Kevin Ramage

MANAGEMENT

Suzie Moore	Resort Manager
Joanne Hallert	Director of Resort Operations

II. NEW BUSINESS

2017 Proposed Budget

At the Chairman's request, Joanne Hallert presented the highlights of the proposed 2017 budget and answered questions from the committee. Management recommended a 3% overall increase in maintenance fees.

Katherine Ivey presented the reserve funding charts and advised the committee that she felt that inflation should be calculated at 2.5% based upon her research. The committee discussed the changes this assumption would make to the reserve fund's strength, historical national and Hawaii inflation rates, and the specific decisions that would be affected by the funding re-calculations.

A motion was made by Jesse Arman and seconded by Kevin Ramage to recommend to the board that they adopt a 2.5% inflation rate when calculating the reserve balances. The motion passed.

A motion was made by Rich Roll and seconded by Jesse Arman that foreclosures be suspended for 2016 as there was sufficient inventory to fund the sales process. The motion passed. The committee will recommend to the board that the money budgeted for 2017 instead be used for a special offer of assistance letter to uncollectible intervals with the transfer costs to be paid by the association.

The committee directed management to send out the budget to the full board without any additional changes.

III. ADJOURNMENT

With no further business to discuss, a motion to adjourn was made by Jesse Arman and seconded by Rich Roll. The committee meeting adjourned at 2:28 p.m. (PDT).

Submitted by:
Trading Places International
Its: Managing Agent

Approved by:
Kahana Falls Finance Committee

By: _____
Joanne Hallert
Director of Resort Operations

By: _____
Jesse Arman
Chairperson