

**KAHANA FALLS  
ASSOCIATION OF APARTMENT OWNERS  
AND  
INTERVAL OWNERS ASSOCIATION  
FINANCE COMMITTEE MEETING  
LAKE FOREST, CA**

**TUESDAY, SEPTEMBER 20, 2016; 12:00 P.M. (PDT)**

**MINUTES**

**I. CALL MEETING TO ORDER / ROLL CALL INTRODUCTIONS**

Chairperson Jesse Arman called the meeting to order at 1:17 p.m. (PDT) and welcomed everyone to the meeting. The following persons were in attendance.

**Committee Members Present**

Jesse Arman	Chairperson
Richard Roll	Member
Katherine Ivey	Member
Kevin Ramage	Member

**Board Members Present**

Milton Jantzen  
Karen Cornwell  
Martin Hewitt

**Management Present**

Suzie Moore	Resort Manager
Joanne Hallert	Director of Resort Operations
Kristen Makinen	Administrative Assistant, Director of Resort Operations

**II. APPROVAL OF AGENDA**

A motion to approve the agenda as amended was made by Kevin Ramage and seconded by Katherine Ivey. The motion passed.

Jesse Arman requested adding under New Business a discussion of foreclosures.

**III. APPROVAL OF MINUTES**

The committee reviewed the minutes from the March 23, 2016 meeting and the September 7, 2016 meeting.

A motion to approve both of the committee meetings minutes was made by Kevin Ramage and seconded by Katherine Ivey. The motion passed.

#### **IV. CONTINUING BUSINESS**

##### **Delinquency**

Jesse Arman reviewed the delinquency report, noting that there was a slight increase in delinquency from the prior year.

#### **V. NEW BUSINESS**

##### **July 2016 Financial Statement**

Jesse Arman reported that the resort was enjoying a favorable variance to budget and that this was primarily the result of rentals.

He further reviewed the property tax amounts and payments, expenses, and other items.

##### **2017 Proposed Budget**

Jesse Arman noted the rental budget was brought up to \$500K versus \$350K in past years.

A motion to approve the 2017 proposed budget for recommendation to the board was made by Kevin Ramage and seconded by Katherine Ivey. The motion passed.

##### **Foreclosures**

Richard Roll stated that because the HOA had sufficient inventory, foreclosures would not be recommended for this year.

The committee discussed how not moving forward with foreclosures might affect the budget. They further discussed offering a special letter of assistance to aide those in arrears rather than foreclosing.

##### **Reserves**

Katherine Ivey explained to the committee how she determined the reserve funding, based on changing inflation rate averages rather than using 3% as in the past. Ms. Ivey informed the board that this adjustment has made nearly a two million dollar difference over the next 40 years and that it provides a healthier reserve account.

##### **Reserve Study Update 2017**

The committee discussed holding off on the study as the previous study was done in 2015. 2019 was set as the tentative date for conducting another study.

##### **Review Audit Engagement Letter**

Jesse Arman advised that the committee will recommend approval of the audit and directing Richard Roll to sign the audit engagement letter.

**VI. ADJOURNMENT**

With no further business to discuss, a motion to adjourn was made by Richard Roll and seconded by Katherine Ivey. The committee meeting adjourned at 2:07 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