

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

**WEDNESDAY, AUGUST 15, 2018; 10:00 A.M. (PDT)  
TELEPHONIC / WEB CONFERENCE**

**MINUTES**

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

Chairperson Katherine Ivey called the meeting to order at 9:56 a.m. (PDT) and welcomed everyone to the meeting. The following persons were in attendance.

**COMMITTEE MEMBERS:**

|                |             |
|----------------|-------------|
| Katherine Ivey | Chairperson |
| Jesse Arman    | Member      |
| Kevin Ramage   | Member      |

**MANAGEMENT PRESENT:**

|                 |   |
|-----------------|---|
| Joanne Hallert  | Director of Resort Operations           |
| Bernard Tan     | VP, Revenue and Distribution Management |
| Suzie Moore     | Resort Manager                          |
| Kristen Makinen | Administrative Assistant                |

**II. APPROVAL OF AGENDA**

The agenda was approved as submitted.

**III. PROPOSED CHECK-OUT CLEANING FEE**

The committee and management discussed replacing utility fees with a cleaning fee. Katherine Ivey noted that Kahana Falls was the only resort she had found with utility fees, and further noted that the cleaning fee was standard in most condos on the islands.

Katherine Ivey reviewed her suggested rates, which were based on unit size, and asked Bernard Tan to comment. Mr. Tan stated he supported the fee and had found that there was little negative feedback at other resorts where similar fees were already in effect. The fee is normally referred to as a Mandatory Departure Cleaning Fee.

The committee and management discussed appropriate amounts to charge for the fees and whether the fee should be the same for both owners and rental guests.

The committee will recommend to the board that the current utility fee be discontinued and that a Mandatory Departure Cleaning Fee be implemented effective January 1, 2019. The fees would be as follows:

|                        |       |
|------------------------|-------|
| Hotel/Hale Kipa/Studio | \$60  |
| 1 bedroom              | \$100 |
| 2 bedroom              | \$120 |

The committee will also recommend that this fee be charged to all stays, including owners and exchange guests and for multiple week reservations, it will be charged for each week.

Bernard Tan left the meeting at 10:45 a.m.

#### **IV. 2019 BUDGET REVIEW**

Katherine Ivey reviewed the budget with the committee and management. Areas of further discussion included the projected sales income, payroll and staffing levels, staff insurance costs, property taxes and bad debt.

The committee will recommend that the board adopt a policy for new sales made in the last 6 months of the year whereby the use period is extended to June 30 of the following year with a mandatory payment of the current year's maintenance fees. This would allow the new owner immediate access to their week and encourage owner engagement.

#### **V. MAINTENANCE FEE DISCUSSION**

The committee and management discussed the 2019 maintenance fee. Under the current scenario with bad debt at 18%, the 2019 maintenance fees would increase by 5%. The committee will review this further once the new cleaning fees have been included in the budget.

#### **VI. RESERVE FUNDING RECOMMENDATIONS**

The committee and management discussed the reserve funding.

Katherine Ivey noted that IOA reserves needed to be addressed as the funding was low by 2020. Ms. Ivey suggested moving funds from the operating funds into the IOA reserve fund. Suzie Moore mentioned that a \$20K to \$30K variance below the projected 2019 IOA reserve expenses could occur if quotes came in below the projected amounts. Ms. Moore stated she would have more precise numbers by the October meeting.

Jesse Arman suggested making a recommendation to the board that \$25K be transferred from the IOA operating reserves into its capital reserves fund, and the committee agreed to recommend that said transfer be made during 2018.

**VII. ADJOURNMENT**

*A motion to adjourn was made by Jesse Arman, seconded by Kevin Ramage and approved.*

The committee meeting adjourned at 12:13 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: \_\_\_\_\_  
Katherine Ivey  
Chairperson