

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

MONDAY, SEPTEMBER 25, 2017; 3:00 P.M. (PDT)

MINUTES

I. CALL MEETING TO ORDER / ROLL CALL INTRODUCTIONS

Chairperson Jesse Arman called the meeting to order at 3:49 p.m. (PDT) and welcomed everyone to the meeting. The following persons were in attendance.

COMMITTEE MEMBERS:

Jesse Arman	Chairperson
Katherine Ivey	Member
Kevin Ramage	Member (<i>via telephone</i>)

BOARD MEMBERS:

Milton Jantzen
Karen Cornwell
Martin Hewitt

MANAGEMENT PRESENT:

Tom O'Brien	Sr. VP of Resort Operations
Suzie Moore	Resort Manager

II. APPROVAL OF AGENDA

The agenda was approved as submitted.

III. APPROVAL OF MINUTES

The committee reviewed the meeting minutes from March 22, 2017.

A motion to approve the minutes was made by Kevin Ramage with one correction on page 3 under the rental report: spell out ADR/Average Daily Rate. The motion was seconded by Katherine Ivey and approved.

IV. CONTINUING BUSINESS

Delinquency/Collections Reports

Jesse Arman gave an overview of the financial status of the resort, highlighting the positive fiscal health of the associations. The only negative at this point in the year was the unfavorable variance with health care costs.

ADA Compliance

It was noted that the Associations continue to pursue compliance requirements where they are readily achievable as outlined from the ARCOR report.

V. NEW BUSINESS

July 2017 Financial Statements

Jesse Arman reported that there may be a negative variance at year end from the expense associated with health care insurance.

The committee will propose a motion to accept the financials during the board meeting.

2018 Proposed Budget

The committee will recommend a 3.8% increase for the 2018 maintenance fees and a transfer of \$130,000 from IOA retained earnings to the IOA reserve funds.

Reserve Funding

For the AOA, it will be recommended that the board approve a member contribution of \$263,214 in the 2018 budget and for the IOA, it will be recommended that the board approve a member contribution of \$368,480 in the 2018 budget.

Reserve Study Update

The reserve report will be updated shortly after this meeting to reflect several changes the board has requested.

Audit Engagement Letter

The committee will recommend approving the proposal for Mike Fitzgerald to perform the 2017 audit and tax prep and to authorize Jesse Arman to sign the engagement letter.

VI. ADJOURNMENT

With no further business to discuss, a motion to adjourn was made by Katherine Ivey and seconded by Kevin Ramage.

The committee meeting adjourned at 4:41 p.m. (PDT).

Submitted by:
Trading Places International
Its: Managing Agent

Approved by:
Kahana Falls Finance Committee

By: _____
Tom O'Brien
Sr. VP\ of Resort Operations

By: _____
Jesse Arman
Chairperson