

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

WEDNESDAY, MARCH 21, 2018; 11:30 A.M. (HST)

MINUTES

I. CALL MEETING TO ORDER / ROLL CALL INTRODUCTIONS

Chairperson Katherine Ivey called the meeting to order at 12:00 p.m. (HST) and welcomed everyone to the meeting. The following persons were in attendance.

COMMITTEE MEMBERS:

Katherine Ivey	Chairperson
Jesse Arman	Member
Kevin Ramage	Member

BOARD MEMBERS:

Milton Jantzen
Karen Cornwell
Martin Hewitt

MANAGEMENT PRESENT:

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

GUESTS PRESENT:

Mike Fitzgerald	Auditor; Fitzgerald and Associates
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II. APPROVAL OF AGENDA

The agenda was approved as submitted.

III. APPROVAL OF MINUTES

The committee reviewed the meeting minutes from September 25, 2017; they were approved as submitted.

IV. CONTINUING BUSINESS

Financial Trends

Katherine Ivey reviewed various trends year over year, including taxes, operations and capital reserves.

Property Taxes Update

Katherine Ivey reviewed the history of the assessed value and real estate tax rate over the past several years.

Delinquency / Collection Reports

Joanne Hallert reviewed the delinquency report. It was noted that as an industry, the delinquency trends were increasing primarily due to an aging ownership.

The meeting paused briefly at 12:22 p.m.; at 12:30, Katherine Ivey resumed the meeting.

Reserves

Inflation Rate Update

Katherine Ivey noted she would not be changing the percentage for the next two years; it would remain at 2.5%.

AOAO

Katherine Ivey gave an overview of the AOAO reserves looking forward. Ms. Ivey noted that it was planned to increase the annual member contributions by 3.5% through 2025, then 3% annually.

IOA

Ms. Ivey gave an overview of the IOA reserves looking forward.

ARDA Study Maintenance Fee Statistics

Katherine Ivey reviewed the study. She noted that what was most relevant to Kahana Falls was the information surrounding the maintenance fees. Ms. Ivey compared Kahana Falls to the statistics presented in the study.

V. NEW BUSINESS

Review January 2018 Financial Statement

The committee will recommend that the board accept the statements to date.

Financial Outlook for 2018

Kevin Ramage reviewed the Kahana Falls year-to-date financial results and the outlook for 2018.

Finance Committee Budget Review Meeting Date

The committee agreed to hold a telephonic finance committee meeting on August 15, 2018 at 7 a.m. Hawaii time, 10:00 a.m. PDT. Dial in information will be sent out; a webinar will be held as well.

2017 Audit Report

Mike Fitzgerald reviewed his audit for the committee, noting that it went well, and that all information had been provided from the management company.

The committee agreed to recommend that the audit be accepted, and the engagement letters signed.

VI. OTHER BUSINESS

The Finance Committee agreed to ratify the decision not to appeal this years' property tax assessment.

VII. ADJOURNMENT

The committee meeting adjourned at 1:13 p.m. (HST).

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