



HAWAIIANA

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November 2018

Dear Kailua View Estates Owner:

Your Board of Directors approved the 2019 Operating Budget, which was prepared using the cash flow method. With careful review of the Association's current and long-range requirements and to conform to Hawaii State Reserve Funding Laws, the Board has found it necessary to increase maintenance fees by 15.5% a year per lot for 2019. Funds shall also be accumulated to complete the capital expenditures which are outlined in the Annual Reserve Study that is currently being revised and will be available on the Kailua View Estates web site at kailuaviewestate.org once the revision is complete. The new maintenance fees are \$432.97 per lot.

Please be assured the Board of Directors will continue to make every effort to keep operating expenses under control as much as possible.

Your Association's 2019, Operating Budget, and Annual Coupon are enclosed for payment of your maintenance fees. The 'Annual Maintenance Assessment' is due on January 1st of each year. The 'Annual Maintenance Assessment' is considered delinquent if not paid on or before the 30th of January of the year it is due.

This is the Board's annual opportunity to remind you:

- **Priority of Payments Received** – Payments received by the Association shall be applied first to legal fees, then to other charges such as collection letter fees, return payment fee, fines, special assessments, and then annual association assessment fees.
- **Annual Meeting** – February 2, 2019. Check in is at 9:00 a.m. HST. The meeting is to be held at the Kailua View Estates Rec Center. When you receive your proxy form, please be sure to complete and return it immediately. It will avoid additional costs and help the Association save money.
- **Website** – The Association documents such as minutes and Declarations are available online via the Kailua View Estates web site (kailuaviewestates.org).
- **Address, Phone Number, and Email Change** – If your address or the legal name of the owner of the lot has changed please notify Hawaiiana Management Company Ltd., in writing. Please make every effort to provide us with your current mailing address, phone number, and email address. This important information must be kept current especially when we prepare and tally proxies and ballots.
- **Rentals** – If you rent out your home please provide the contact information for your on island agent and your tenant, please include phone numbers and email addresses.

The staff and management of Hawaiiana Management Company thank you for being part of the Hawaiiana "Ohana" and extend their best wishes to you and yours for a safe and Happy Holiday Season!

Sincerely,
FOR THE BOARD OF DIRECTORS
KAILUA VIEW ESTATES HOME OWNERS ASSOCIATION

Nax N. Cain, CMCA®, AMS®

Senior Management Executive
Direct line: 808-593-6370
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Enclosures

Kailua View Estates

Approved 2019 Budget

Monthly

<u>GL Code</u>	<u>Description</u>	<u>2018 Average</u>	<u>2018 Budget</u>	<u>2019 Budget</u>	<u>Comments</u>
5100	MAINTENANCE FEES	7342	7342	8443	With 15% increase in dues
5270	INVESTMENT INTEREST	101			
TOTAL OTHER INCOME		104			
TOTAL REVENUE		7446	7342	8443	

UTILITIES					
6010	ELECTRICITY	67	68	69	estimated 3% increase
6030	WATER	250	226	257	estimated 3% increase
TOTAL UTILITIES		317	294	326	

CONTRACT SERVICES					
6220	REC CENTER CLEANING	316	280	316	No increase over approved contract
6240	LANDSCAPE MAINTENANCE	1390	1390	1390	No increase over approved contract
6280	PEST CONTROL	47	47	47	No increase over approved contract
6310	SEC. REC CENT LOCK 5 YRS - #2	47	47	47	Total Key replacement is \$2,818.60 spread out over 5 years is \$46.98 per month
TOTAL CONTRACT SERVICES		1800	1764	1800	

MAINTENANCE					
6550	GROUNDS	102	30	102	Based on actual expense of the last 12 months - includes backflow inspection
6552	GROUNDS-TREE TRIMMING	61		52	Per 3 year contract approved in 2018 \$312.50 Biannual trimming of 4 palms
6601	COQUI PREVENTION	27	13	27	Based on actual expense of the last 12 months
6635	SECURITY - REC CENTER	25	50	25	Based on actual expense of the last 12 months
6690	MISCL REPAIRS & PURCHASES	143	135	143	Based on actual expense of the last 12 months
TOTAL MAINTENANCE		358	228	349	

Kailua View Estates

Approved 2019 Budget

Monthly

<u>GL Code</u>	<u>Description</u>	<u>2018 Average</u>	<u>2018 Budget</u>	<u>2019 Budget</u>	<u>Comments</u>
PROFESSIONAL SERVICES					
6810	ADMIN SUPPLIES & SERVICES	513	600	600	HMC Cap on administrative costs - copies - eblasts - conference calls
6812	ASSOCIATION ADMIN EXPENSE	53		53	Based on actual expense of the last 12 months
6850	MANAGEMENT SRVCS	1918	1918	1918	No increase was approved - no increase in the past two years
6870	AUDIT	90	90	90	Based on actual expense of the last 12 months
6880	LEGAL FEES GENERAL	201	325	325	Same as in 2018
6882	LEGAL FEES COLLECTIONS	463	153	463	Based on actual expense of the last 12 months
6891	RESERVE STUDY	74	74	74	Per vendor contract
TOTAL PROF. SERVICES		3313	3234	3523	
OTHER EXPENSES					
7316	LIABILITY INSURANCE	294	318	208	Per new Insurance Broker Sue Savio
7326	D AND O INS	326	359	154	Per new Insurance Broker Sue Savio
7331	FIDELITY BOND INS	24		71	Per new Insurance Broker Sue Savio
7341	INSURANCE-UMBRELLA	119	119	539	Per new Insurance Broker Sue Savio
7530	ALLOW FOR DELINQUENCIES	357	357	400	Increase per 2019 estimated dues
7710	REAL PROPERTY TAX	17	13	17	Based on actual expense of the last 12 months
7720	STATE GET TAX	23	5	23	Based on actual expense of the last 12 months
TOTAL OTHER EXPENSES		1209	1194	1461	
TOTAL OP EXPENSE		6996	6715	7459	
8000	TRANSFER TO RESERVES	627	627	984	as per reserve study

Table 4: 30-Year Reserve Plan Summary

1034-2

Fiscal Year Beginning: 01/01/19

Interest: 1.24% Inflation: 2.5%

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2019	\$53,171	\$127,240	41.8%	Fair	\$21,060	\$0	\$612	\$29,254
2020	\$45,589	\$115,210	39.6%	Fair	\$22,113	\$0	\$684	\$3,588
2021	\$64,799	\$129,557	50.0%	Fair	\$22,279	\$0	\$947	\$0
2022	\$88,024	\$148,319	59.3%	Fair	\$22,446	\$0	\$1,238	\$0
2023	\$111,708	\$167,937	66.5%	Fair	\$22,614	\$0	\$1,465	\$11,038
2024	\$124,749	\$177,130	70.4%	Strong	\$22,784	\$0	\$1,663	\$5,600
2025	\$143,596	\$192,534	74.6%	Strong	\$22,955	\$0	\$1,919	\$2,319
2026	\$166,150	\$212,103	78.3%	Strong	\$23,127	\$0	\$1,774	\$70,994
2027	\$120,057	\$162,199	74.0%	Strong	\$23,300	\$0	\$1,120	\$83,728
2028	\$60,749	\$98,434	61.7%	Fair	\$23,475	\$0	\$814	\$14,362
2029	\$70,677	\$104,625	67.6%	Fair	\$23,651	\$0	\$964	\$10,433
2030	\$84,859	\$115,460	73.5%	Strong	\$23,829	\$0	\$892	\$50,568
2031	\$59,012	\$85,900	68.7%	Fair	\$24,007	\$0	\$886	\$0
2032	\$83,905	\$107,918	77.7%	Strong	\$24,187	\$0	\$1,197	\$0
2033	\$109,289	\$130,982	83.4%	Strong	\$24,369	\$0	\$1,281	\$37,585
2034	\$97,353	\$116,608	83.5%	Strong	\$24,552	\$0	\$1,340	\$4,345
2035	\$118,900	\$136,468	87.1%	Strong	\$24,736	\$0	\$1,618	\$2,969
2036	\$142,285	\$158,769	89.6%	Strong	\$24,921	\$0	\$1,854	\$12,097
2037	\$156,964	\$172,820	90.8%	Strong	\$25,108	\$0	\$2,053	\$9,739
2038	\$174,386	\$190,201	91.7%	Strong	\$25,296	\$0	\$2,233	\$15,987
2039	\$185,929	\$202,189	92.0%	Strong	\$25,486	\$0	\$2,455	\$3,687
2040	\$210,182	\$227,675	92.3%	Strong	\$25,677	\$0	\$2,586	\$31,240
2041	\$207,206	\$226,160	91.6%	Strong	\$25,870	\$0	\$2,453	\$46,913
2042	\$188,616	\$209,164	90.2%	Strong	\$26,064	\$0	\$2,515	\$0
2043	\$217,194	\$240,464	90.3%	Strong	\$26,259	\$0	\$2,760	\$18,087
2044	\$228,126	\$254,659	89.6%	Strong	\$26,456	\$0	\$2,838	\$27,631
2045	\$229,788	\$260,095	88.3%	Strong	\$26,655	\$0	\$2,934	\$15,753
2046	\$243,623	\$278,526	87.5%	Strong	\$26,855	\$0	\$3,013	\$30,921
2047	\$242,569	\$282,573	85.8%	Strong	\$27,056	\$0	\$2,909	\$45,609
2048	\$226,926	\$272,385	83.3%	Strong	\$27,259	\$0	\$2,847	\$24,455