

# The Collection - Midrise/Lofts

## Calendar Year 2020 Operating Budget and Reserve Study

### EXECUTIVE SUMMARY

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd on June 26, 2019

Approved by Board of Directors on September 17, 2019

#### PRESENT RESERVE LEVELS

Projected 2019 Ending Reserve Balance		\$18,225
Required End of 2019 Balance to be 100% Funded		\$404,827
Projected End of Year 2019 Percent Funding		4.5%

#### 2020 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2020 Balance to be 100% Funded		\$446,792
Year 2020 Reserve Outlays		\$7,461
Year 2020 Reserve Contribution Required to be 100% Funded		\$436,028
Plus Projected Operating Expense		\$344,300
Less Other Income		\$63,096
Fully Funded Maintenance Fee Change/Amount	174.6%	\$717,232
Management Executive Recommendation	12.0%	\$292,574

#### BOARD APPROVED YEAR 2020 MAINTENANCE FEES

Operating Expenses		\$344,300
Less Other Income		\$63,096
Maintenance Fee Change/Amount	12.0%	\$292,574
Reserve Contribution / FHA Requirement 10%	3%	\$11,370
Projected Funding Level/Balance at the End of Year 2020	4.95%	\$22,134

Hawaiiana Management Company, Ltd

2020 Monthly Cash Operating Budget For

The Collection - Midrise/Lofts

Approved by Board of Directors on September 17, 2019

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DESCRIPTION REVENUE	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUNE 2020	JULY 2020	AUG 2020	SEPT 2020	OCT 2020	NOV 2020	DEC 2020	ANNUAL TOTAL
MAINTENANCE FEES	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	292,574
ELECTRICITY REIMB	5,257	5,257	5,257	5,257	5,257	5,257	5,257	5,257	5,257	5,257	5,257	5,257	63,084
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
<b>TOTAL REVENUE</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>29,639</b>	<b>355,670</b>

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	11,530	11,530	11,530	11,530	11,530	11,530	11,530	11,530	11,530	11,530	11,530	11,530	138,360
TV CABLE	2,840	2,840	2,840	2,840	2,840	2,840	2,840	2,840	2,840	2,840	2,840	2,840	34,080
WATER	770	770	770	770	770	770	847	847	847	847	847	847	9,702
SEWER	3,740	3,740	3,740	3,740	3,740	3,740	4,114	4,114	4,114	4,114	4,114	4,114	47,124
<b>TOTAL UTILITIES</b>	<b>18,880</b>	<b>18,880</b>	<b>18,880</b>	<b>18,880</b>	<b>18,880</b>	<b>18,880</b>	<b>19,331</b>	<b>19,331</b>	<b>19,331</b>	<b>19,331</b>	<b>19,331</b>	<b>19,331</b>	<b>229,266</b>

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
HVAC	600	600	600	600	600	600	600	600	600	600	600	600	7,200
HOUSEKEEPING SVCS	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	24,111
WINDOW WASHING	1,300						1,300						2,600
ELEVATOR	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800
GENERATOR	150						150						300
PEST CONTROL	190	190	190	190	190	190	190	190	190	190	190	190	2,280
REFUSE	475	475	475	475	475	475	475	475	475	475	475	475	5,700
SECURITY SVCS	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	13,663
FIRE SYSTEMS										3,800			3,800
ROOF	500						500						1,000
SUBMETERING	395	395	395	395	395	395	395	395	395	395	395	395	4,740
MAINTENANCE SVCS	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	1,139	13,668
GATE MTCE	236			236			236			236			942
FITNESS EQUIP MTCE	52			52			52			52			209
BACKFLOW TESTING	180												180
<b>TOTAL CNTRCT SVCS</b>	<b>9,765</b>	<b>7,347</b>	<b>7,347</b>	<b>7,635</b>	<b>7,347</b>	<b>7,347</b>	<b>9,585</b>	<b>7,347</b>	<b>7,347</b>	<b>11,435</b>	<b>7,347</b>	<b>7,347</b>	<b>97,194</b>

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BLDG MTCE	50	50	50	50	50	50	50	50	50	50	50	50	600
CLEANING SUPPS/EQUIPMENT	205	205	205	205	205	205	205	205	205	205	205	205	2,460
ELEVATOR	2,200						2,200						4,400
PAINT SUPPLIES	75			75			75			75			300
MISCL REPRS AND MAT/SUPPLIES	250	250	250	250	250	250	250	250	250	250	250	250	3,000
<b>TOTAL MAINTENANCE</b>	<b>2,780</b>	<b>505</b>	<b>505</b>	<b>580</b>	<b>505</b>	<b>505</b>	<b>2,780</b>	<b>505</b>	<b>505</b>	<b>580</b>	<b>505</b>	<b>505</b>	<b>10,760</b>

Approved by Board of Directors on September 17, 2019

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
PROFESSIONAL SVCS	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	TOTAL
<b>OTHER EXPENSES</b>													
MASTER ASSOC DUES	590	590	590	590	590	590	590	590	590	590	590	590	7,080
TOTAL OTHER EXP.	590	590	590	590	590	590	590	590	590	590	590	590	7,080
TOTAL OP EXPENSE	32,015	27,322	27,322	27,685	27,322	27,322	32,286	27,773	27,773	31,936	27,773	27,773	344,300
LOAN PAYMENTS													
TRANSFER TO RESERVES	-2,376	2,317	2,317	1,954	2,317	2,317	-2,647	1,866	1,866	-2,297	1,866	1,866	11,370

THE COLLECTION - MIDRISE/LOFTS YEAR 2020 RESERVE PROJECTS AS OF SEPTEMBER 17, 2019

COST NOW and NORM LIFE values are best estimates by Hawaiiana Management and vendors who were nice enough to inspect the property or give a best guess.

It may be advisable to employ an expert to evaluate those projects with high cost.

				RESERVE FUND STATUS - PERCENT FUNDED METHOD				M. FEE	RESERVE.	MAINT.	
First Plan Year - Calendar	2020	Reference Year	2019	THE MODEL'S FINDINGS FOR % FUNDING		2019 Deficit	CHANGE	CONTRIB	FEEES		
Final Plan Year	2039			Recommended Reserve Funding	100%	386,602	175%	428,567	717,232		
2019 Maintenance Fees	261,227	2020 Maint Fees	292,574	Target Reserve Funding Level	50%	184,189	89.04%	205,171	493,836		
2019 Other Income	54,743	2020 Othr Inc	63,096	Minimum Reserve Funding Level	50%	184,189	89%	205,171	493,836		
2019 Operating Expenses	-373,663	2020 Exp	-344,300	EOY 2020 Funding % @ Approved Lev	4.95%		12%	3,909	292,574		
2019 Reserve Contribution	-57,693	2020 Contribution	11,370	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2020	18,225	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5		
Projected Reserve % at Start of 2020	4.5%	Tgt Ann Contrib	66,788	GOOD	G	Contractor Estimate	2	Statistical Guideline	6		
Minimum Inflation	2.0%	Req Contrib-Tgt	250,976	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	no		
Projected Savings Interest	1.5%	App. % Change	12.0%	POOR	P	Cost When Last Done	4				
CAPITAL INVENTORY		NORM	DONE	LAST	CO	NEXT	COST	COST	FUNDING	EOY	
ITEM	ADJUSTMENT	LIFE	LAST	COST	ND	DUE DATE	NOW	SRC	RQMNT	RES	DEFICIT
Power Shaver/Conditioner	-18	20	2018			2020	7,461		3,730	3,730	
Electrical Panels - Inspect/Repair	1	4	2016			2021	10,000		6,000	6,000	
Electrifying 2nd Floor Garage/Lobby Door	-93	99	2016			2022	10,815		11,188	8,494	2,693
Soft Goods - Replace	1	5	2016			2022	9,000		4,500		4,500
Carpet - Replace Mezzanine/Garage (Phase II)	-3	9	2016			2022	3,289		1,645		1,645
AC Compressor - Replace	2	5	2016			2023	14,500		6,214		6,214
Gate Operators		8	2016			2024	8,700		3,263		3,263
Fitness Room Rubber Flooring - Replace		8	2016			2024	6,750		2,531		2,531
Carpet - Replace Club Room (Phase I)		9	2016			2025	5,825		1,942		1,942
Exterior Concrete - Paint		10	2016			2026	93,750		28,125		28,125
Exhaust Fan - Replace		10	2016			2026	22,000		6,600		6,600
Window Treatment - Replace		10	2016			2026	15,750		4,725		4,725
Appliances - Replace		10	2016			2026	10,000		3,000		3,000
Utility Doors - Partial Replace	5	5	2016			2026	10,000		3,000		3,000
Condenser - Replace		10	2016			2026	6,500		1,950		1,950
Carpet - Replace Hallways (Phase III)	2	9	2016			2027	86,898		23,699		23,699
Water Submetering - Replace		11	2016			2027	45,900		12,518		12,518
Entry System - Replace		11	2016			2027	22,500		6,136		6,136
Interior Lighting - Replace		12	2016			2028	15,000		3,750		3,750
Exercise Equipment - Replace		12	2016			2028	14,157		3,539		3,539
Wall Covering - Replace		12	2016			2028	5,850		1,463		1,463
Restroom - Remodel	4	8	2016			2028	5,750		1,438		1,438
Elevator Cab - Remodel		15	2016			2031	100,000		20,000		20,000
Furniture - Replace	5	10	2016			2031	50,750		10,150		10,150
Fan Coil - Replace		15	2016			2031	21,700		4,340		4,340
Generator Rebuild		15	2016			2031	7,364		1,473		1,473
Single Ply Membrane - Replace		20	2016			2036	117,000		17,550		17,550
Tile Floor - Replace		20	2016			2036	46,500		6,975		6,975
Artwork - Replace		20	2016			2036	42,500		6,375		6,375
Fire Alarm System - Replace/Upgrade		20	2016			2036	32,566		4,885		4,885
Mailboxes - Replace		20	2016			2036	21,000		3,150		3,150
Trash Chute - Partial Replace		20	2016			2036	16,000		2,400		2,400
Pool Table - Replace		20	2016			2036	11,250		1,688		1,688
Window Seal - Replace	1	20	2016			2037	265,948		37,993		37,993
Awnings - Replace	1	20	2016			2037	10,400		1,486		1,486
Glass Doors and Windows - Replace		25	2016			2041	255,000		30,600		30,600
Elevator - Modernize	1	25	2016			2042	800,000		92,308		92,308
Outdoor Air Handler - Replace		30	2016			2046	225,000		22,500		22,500
2019 End Yr Totals							2,453,372		404,827	18,225	386,602

### The Collection - Midrise/Lofts

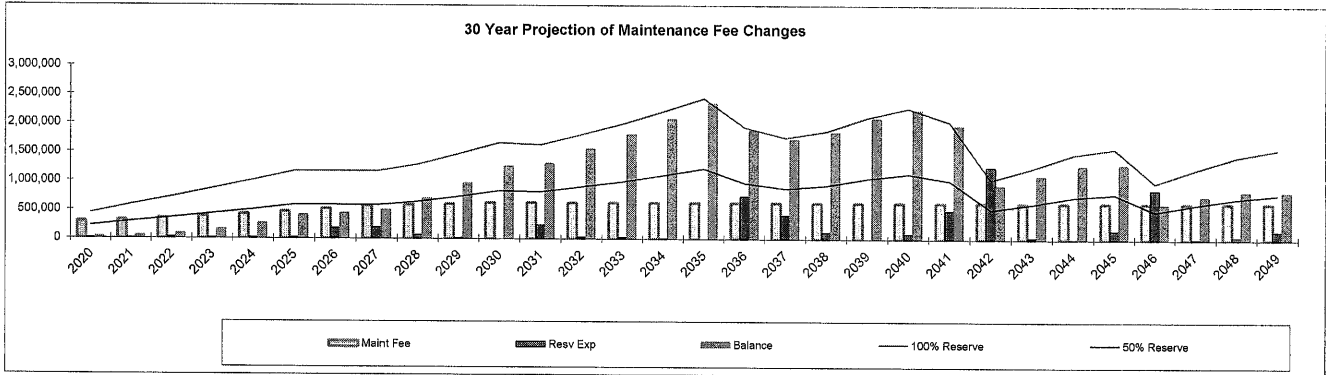
### Board Approved 2020 Cash Flow Plan

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd

### Maintenance Fee Plan to Accomplish All Known Improvements and Repairs For Next 30 Years

Assumed Rate of Inflation: 2%

Assumed Savings Interest Rate: 1.5%



#### Contingency Reserve Fund

\$0

CY Year	Starting Balance	-Reserve Expense	-Loan Payments	-Operating Expenses	+Maint. Fees	+Other Income	=Interm Bal	+Interest Income	=Ending Balance	% Maint. Fee Change	Net Reserve Contrib.	Percent Funded
2020	18,225	7,461	0	344,300	292,574	63,096	22,134	Included	22,134	12.0%	3,909	5%
2021	22,134	10,200	0	351,186	321,832	63,084	45,663	508	46,172	10.0%	23,530	8%
2022	46,172	23,601	0	358,210	354,015	64,346	82,722	967	83,688	10.0%	36,550	12%
2023	83,688	15,388	0	365,374	389,417	65,633	157,975	1,812	159,788	10.0%	74,287	18%
2024	159,788	16,723	0	372,682	428,358	66,945	265,687	3,191	268,878	10.0%	105,899	28%
2025	268,878	17,472	0	380,135	471,194	68,284	410,748	5,097	415,846	10.0%	141,871	35%
2026	415,846	177,935	0	387,738	518,313	69,650	438,136	6,405	444,541	10.0%	22,290	38%
2027	444,541	188,727	0	395,493	570,145	71,043	501,509	7,095	508,604	10.0%	56,968	44%
2028	508,604	64,743	0	403,403	587,249	72,464	700,171	9,066	709,237	3.0%	191,567	55%
2029	709,237	11,951	0	411,471	604,867	73,913	964,595	12,554	977,148	3.0%	255,358	67%
2030	977,148	0	0	419,700	623,013	75,391	1,255,852	16,748	1,272,600	3.0%	278,704	76%
2031	1,272,600	240,099	0	428,094	623,013	76,899	1,304,318	19,327	1,323,645	0.0%	31,719	81%
2032	1,323,645	31,009	0	436,656	623,013	78,437	1,557,430	21,608	1,579,038	0.0%	233,785	87%
2033	1,579,038	31,694	0	445,389	623,013	80,006	1,804,973	25,380	1,830,353	0.0%	225,935	92%
2034	1,830,353	7,686	0	454,297	623,013	81,606	2,072,989	29,275	2,102,264	0.0%	242,636	95%
2035	2,102,264	0	0	463,383	623,013	83,238	2,345,131	33,355	2,378,487	0.0%	242,868	98%
2036	2,378,487	737,823	0	472,650	623,013	84,903	1,875,929	31,908	1,907,837	0.0%	(502,558)	98%
2037	1,907,837	413,559	0	482,104	623,013	86,601	1,721,788	27,222	1,749,010	0.0%	(186,049)	99%
2038	1,749,010	118,402	0	491,746	623,013	88,333	1,850,208	26,994	1,877,202	0.0%	101,198	100%
2039	1,877,202	0	0	501,580	623,013	90,099	2,088,734	29,745	2,118,478	0.0%	211,532	100%
2040	2,118,478	90,950	0	511,612	623,013	91,901	2,230,830	32,620	2,263,450	0.0%	112,352	100%
2041	2,263,450	493,728	0	521,844	623,013	93,740	1,964,630	31,711	1,996,340	0.0%	(298,820)	98%
2042	1,996,340	1,250,699	0	532,281	623,013	95,614	931,987	21,962	953,949	0.0%	(1,064,353)	92%
2043	953,949	32,051	0	542,927	623,013	97,527	1,099,511	15,401	1,114,912	0.0%	145,561	90%
2044	1,114,912	9,248	0	553,785	623,013	99,477	1,274,368	17,920	1,292,287	0.0%	159,456	87%
2045	1,292,287	158,970	0	564,861	623,013	101,467	1,292,936	19,389	1,312,325	0.0%	648	83%
2046	1,312,325	856,897	0	576,158	623,013	103,496	605,778	14,386	620,164	0.0%	(706,547)	63%
2047	620,164	15,363	0	587,681	623,013	105,566	745,698	10,244	755,942	0.0%	125,534	62%
2048	755,942	52,144	0	599,435	623,013	107,677	835,052	11,932	846,985	0.0%	79,111	59%
2049	846,985	145,067	0	611,424	623,013	109,831	823,337	12,527	835,865	0.0%	(23,647)	53%