

The Collection - Tower

Calendar Year 2020 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

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

Approved by Board of Directors on September 23, 2019

PRESENT RESERVE LEVELS

Projected 2019 Ending Reserve Balance		\$2,049,436
Required End of 2019 Balance to be 100% Funded		\$2,179,106
Projected End of Year 2019 Percent Funding		94.0%

2020 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2020 Balance to be 100% Funded		\$2,791,324
Year 2020 Reserve Outlays		\$66,401
Year 2020 Reserve Contribution Required to be 100% Funded		\$808,289
Plus Projected Operating Expense		\$3,651,284
Less Other Income		\$717,756
Fully Funded Maintenance Fee Change/Amount	9.9%	\$3,741,817
Management Executive Recommendation	1.0%	\$3,438,526

BOARD APPROVED YEAR 2020 MAINTENANCE FEES

Operating Expenses		\$3,651,284
Less Other Income		\$717,756
Maintenance Fee Change/Amount	0.0%	\$3,404,481
Reserve Contribution / FHA Requirement 10%	13%	\$470,953
Projected Funding Level/Balance at the End of Year 2020	87.91%	\$2,453,989

Hawaiiana Management Company, Ltd

2020 Monthly Cash Operating Budget For

The Collection - Tower

Approved by Board of Directors on September 23, 2019

Page 2

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	283,707	283,707	283,707	283,707	283,707	283,707	283,707	283,707	283,707	283,707	283,707	283,707	3,404,481
ELECTRICITY REIMB - TOWER	50,508	50,508	50,508	50,508	50,508	50,508	50,508	50,508	50,508	50,508	50,508	50,508	606,096
ELECTRICITY REIMB - CHARGEPOINT	600	600	600	600	600	600	600	600	600	600	600	600	7,200
INVESTMENT INTEREST	800	800	800	800	800	800	800	800	800	800	800	800	9,600
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
HSKPG SVC FEES - LOFTS	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	2,009	24,108
MAINT SVC FEES-LOFTS	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
SECURITY SVC FEES-LOFTS	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
HSKPG SVC FEES - COMMERCIAL	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	16,080
SECURITY SVC FEES - COMMERCIAL	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	27,324
TOTAL REVENUE	343,520	343,520	343,520	343,520	343,520	343,520	343,520	343,520	343,520	343,520	343,520	343,520	4,122,237

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	97,131	97,131	97,131	97,131	97,131	97,131	97,131	97,131	97,131	97,131	97,131	97,131	1,165,572
TV CABLE	20,808	20,808	20,808	20,808	20,808	20,808	20,808	20,808	20,808	20,808	20,808	20,808	249,696
WATER	9,860	9,860	9,860	9,860	9,860	9,860	10,842	10,842	10,842	10,842	10,842	10,842	124,210
SEWER	27,907	27,907	27,907	27,907	27,907	27,907	30,698	30,698	30,698	30,698	30,698	30,698	351,628
GAS	2,264	2,264	2,264	2,264	2,264	2,264	2,264	2,264	2,264	2,264	2,264	2,264	27,168
TOTAL UTILITIES	157,970	157,970	157,970	157,970	157,970	157,970	161,742	161,742	161,742	161,742	161,742	161,742	1,918,274

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
HVAC	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
WINDOW WASHING	18,283					18,283				18,283			54,849
ELEVATOR	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	39,300
GENERATOR	1,500												1,500
PEST CONTROL	800	800	800	800	800	800	800	800	800	800	800	800	9,600
REFUSE	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
COMPACTOR SVC	250			250			250			250			1,000
SECURITY EQUIPMENT	550			550			550			550			2,200
FIRE SYSTEM										28,000			28,000
ROOF	500						500						1,000
SUBMETERING	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876	34,512
BACKFLOW TEST									1,800				1,800
DRYER EXHAUST SYS. INSPECTION												400	400
BOOSTER PUMP SVC	300			300			300			300			1,200
GATE MTCE	300			300			300			300			1,200
HSKPG SVC FEES - COMMERCIAL	600			600			600			600			2,400
TOTAL CNTRCT SVCS	34,934	12,651	12,651	14,651	12,651	30,934	15,151	12,651	14,451	60,934	12,651	13,051	247,361

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BLDG MTCE	750	750	750	750	750	750	750	750	750	750	750	750	9,000
CLEANING SUPPS/EQUIPMENT	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
ELEVATOR	1,000			1,000			1,000			1,000			4,000
ELECTRICAL/LIGHTING SUPPLIES	135	135	135	135	135	135	135	135	135	135	135	135	1,620
PLUMBING/MECHANICAL REPR/SUPP	400	400	400	400	400	400	400	400	400	400	400	400	4,800
POOL & SPA	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600
PAINT SUPPLIES	200	200	200	200	200	200	200	200	200	200	200	200	2,400
MISCL REPRS AND MAT/SUPPLIES	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
TOTAL MAINTENANCE	6,985	5,985	5,985	6,985	5,985	5,985	6,985	5,985	5,985	6,985	5,985	5,985	75,820

Approved by Board of Directors on September 23, 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
LEGAL FEES GENERAL	500	500	500	500	500	500	500	500	500	500	500	500	6,000
TOTAL PROF. SERVICES	500	500	500	500	500	500	500	500	500	500	500	500	6,000
PAYROLL & BENEFITS	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PAYROLL - MANAGEMENT STAFF	18,284	18,284	18,284	27,426	18,284	18,284	18,284	18,284	18,284	27,426	18,284	18,284	237,691
PAYROLL - OPERATIONS MANAGER	3,962	3,962	3,962	5,942	3,962	3,962	3,962	3,962	3,962	5,942	3,962	3,962	51,500
PAYROLL - MAINTENANCE	11,922	11,922	11,922	17,882	11,922	11,922	11,922	11,922	11,922	17,882	11,922	11,922	154,981
PAYROLL - HOUSEKEEPING	14,321	14,321	14,321	21,482	14,321	14,321	14,321	14,321	14,321	21,482	14,321	14,321	186,175
PAYROLL - SECURITY	32,466	32,466	32,466	48,700	32,466	32,466	32,466	32,466	32,466	48,700	32,466	32,466	422,064
WORKERS COMP								30,132					30,132
TDI	1,000			1,000			1,000			1,000			4,000
HEALTH CARE	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	162,000
PAYROLL TAXES	6,399	6,399	6,399	9,599	6,399	6,399	6,399	6,399	6,399	9,599	6,399	6,399	83,191
PAYROLL PREP	325	325	325	325	325	325	325	325	325	325	325	325	3,900
UNIFORMS	183	183	183	183	183	183	183	183	183	183	183	183	2,196
PAYROLL-BONUS												15,000	15,000
TOTAL P/R & BENEFITS	102,362	101,362	101,362	146,039	101,362	101,362	102,362	131,494	101,362	146,039	101,362	116,362	1,352,829
OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
MASTER ASSOC DUES	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
TOTAL OTHER EXP.	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	51,000
TOTAL OP EXPENSE	307,001	282,718	282,718	330,395	282,718	301,001	290,990	316,622	288,290	380,450	286,490	301,890	3,651,284
LOAN PAYMENTS													
TRANSFER TO RESERVES	36,519	60,802	60,802	13,125	60,802	42,519	52,530	26,898	55,230	-36,930	57,030	41,630	470,953

THE COLLECTION - TOWER YEAR 2020 RESERVE PROJECTS AS OF SEPTEMBER 23, 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%	129,670	10%	741,888	3,741,817	
2019 Maintenance Fees	3,404,481	2020 Maint Fees	3,404,481	Target Reserve Funding Level		50%	(959,883)	-31.09%	(653,774)	2,346,155	
2019 Other Income	771,035	2020 Othr Inc	717,756	Minimum Reserve Funding Level		50%	(959,883)	-31%	(653,774)	2,346,155	
2019 Operating Expenses	-4,170,928	2020 Exp	-3,651,284	EOY 2020 Funding % @ Approved Lev		87.91%		0%	404,552	3,404,481	
2019 Reserve Contribution	4,589	2020 Contribution	470,953	Condition Codes	Source Codes			Source Codes			
Projected Reserves At Start of 2020	2,049,436	Target Funding I	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project		5	
Projected Reserve % at Start of 2020	94.0%	Tgt Ann Contrib	377,305	GOOD	G	Contractor Estimate	2	Statistical Guideline		6	
Minimum Inflation	2.0%	Req Contrib-Tgt	(582,578)	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?		Yes	
Projected Savings Interest	1.5%	App. % Change		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 Conditioner	-18	20	2018			2020	54,849		27,424	27,424	
Electrical Panels - Inspect/Repair		4	2016			2020	10,250		7,688	7,688	
Soft Goods - Lobby & 7th		5	2016			2021	97,375		58,425	58,425	
Soft Goods - Pool Deck		5	2016			2021	32,288		19,373	19,373	
Compressor - Replace		5	2016			2021	14,863		8,918	8,918	
Pool Ph & Cl Control - Replace		3	2019	15000		2022	15,375				
Condenser Barrel Water Heaters (rooftop)		3	2019			2022	10,000				
Restrooms - Remodel		8	2016			2024	29,469		11,051	11,051	
Spa - Resurface		8	2016			2024	11,788		4,421	4,421	
Gate Operators		8	2016			2024	8,700		3,263	3,263	
Window Seal - Test/Repair		10	2016			2026	427,056		128,117	128,117	
Tower Hallway Carpet - Replace		10	2016			2026	386,733		116,020	116,020	
Crown Lighting - Replace		10	2016			2026	122,488		36,746	36,746	
Emergency Lights - Replace		10	2016			2026	87,125		26,138	26,138	
Exit Lights - Replace		10	2016			2026	61,500		18,450	18,450	
Utility Doors - Partial Replace	5	5	2016			2026	61,500		18,450	18,450	
Artificial Green Turf - Replace		10	2016			2026	37,310		11,193	11,193	
Pool - Resurface		10	2016			2026	33,313		9,994	9,994	
Trash Compactor - Replace		10	2016			2026	16,913		5,074	5,074	
Window Treatment - Replace		10	2016			2026	16,144		4,843	4,843	
Condenser - Replace		10	2016			2026	13,325		3,998	3,998	
Spit System Condenser - Replace		10	2016			2026	13,018		3,905	3,905	
Pool Pump - Replace		10	2016			2026	9,225		2,768	2,768	
Exercise Equipment - Replace		12	2016			2028	229,756		57,439	57,439	
Elevator Lobby Lighting - Replace		12	2016			2028	43,739		10,935	10,935	
Dog Park Turf - Replace		12	2016			2028	9,328		2,332	2,332	
Lobby & Club Furniture - Replace	3	10	2016			2029	156,056		36,013	36,013	
Pool Metal Furniture - Replace	3	10	2016			2029	102,500		23,654	23,654	
Cabana Refurbishment (4)	3	10	2016			2029	50,000		11,538	11,538	
Elevator - Realign/Leveling		10	2019			2029	15,000				
Dog Park Furniture - Replace	3	10	2016			2029	11,275		2,602	2,602	
Water Submetering - Replace		15	2016			2031	342,401		68,480	68,480	
Elevator Cab - Remodel		15	2016			2031	205,000		41,000	41,000	
Pressure Fan - Replace		15	2016			2031	69,188		13,838	13,838	
Generator - Rebuild		15	2016			2031	54,136		10,827	10,827	
Ceiling Lights - Replace		15	2016			2031	41,000		8,200	8,200	
Fan Coil - Replace		15	2016			2031	34,953		6,991	6,991	
Supply Fan - Replace		15	2016			2031	30,750		6,150	6,150	
Metal Roof - Repair/Replace		15	2016			2031	24,216		4,843	4,843	
Trash Compactor Bins - Replace		15	2016			2031	14,299		2,860	2,860	
Split System Fan - Replace		15	2016			2031	13,018		2,604	2,604	
Pool Heater - Gas - Replace		15	2016			2031	7,688		1,538	1,538	
Pool/Spa Filter - Replace		15	2016			2031	6,458		1,292	1,292	
Pool Wood Furniture - Replace	3	15	2016			2034	184,500		30,750	30,750	
Window Seal - Replace		20	2016			2036	1,955,208		293,281	293,281	
Fire Alarm System - Replace/Upgrade		20	2016			2036	245,404		36,811	36,811	
Artwork - Replace		20	2016			2036	215,250		32,288	32,288	
Tower/Annex Roof - Replace		20	2016			2036	166,050		24,908	24,908	
7th Floor Pavers - Replace		20	2016			2036	125,434		18,815	18,815	

CAPITAL INVENTORY		NORM	DONE	LAST	CO	NEXT	COST	COST	FUNDING	EOY	
ITEM	ADJUSTMENT	LIFE	LAST	COST	ND	DUE DATE	NOW	SRC	RQMNT	RES	DEFICIT
Pool Teak Deck - Replace		20	2016			2036	102,884		15,433	15,433	
Mailboxes - Replace		20	2016			2036	92,250		13,838	13,838	
Trash Chute - Partial Replace		20	2016			2036	49,200		7,380	7,380	
Pavilion Roof - Replace		20	2016			2036	17,938		2,691	2,691	
Elevator - Modernize		25	2016			2041	1,486,250		178,350	178,350	
Aluminum/Glass Handrail - Replace		25	2016			2041	1,199,250		143,910	143,910	
Elevator Fire Doors - Replace		25	2016			2041	861,000		103,320	103,320	
Tile Floor - Replace		25	2016			2041	166,050		19,926	19,926	
Flower Planters - Replace		25	2016			2041	129,663		15,560	15,560	
Glass Doors - Replace		25	2016			2041	70,469		8,456	8,456	
Metal Awnings - Repair/Replace		25	2016			2041	13,530		1,624	1,624	
Pool Handrail - Replace		25	2016			2041	10,250		1,230	1,230	
Outdoor Air Handler - Replace		30	2016			2046	896,875		89,688	89,688	
Plumbing Drain/Stacks - Major Replacement		35	2016			2051	3,517,031		301,460	171,790	129,670
2019 End Yr Totals							14,535,854		2,179,106	2,049,436	129,670

The Collection - Tower

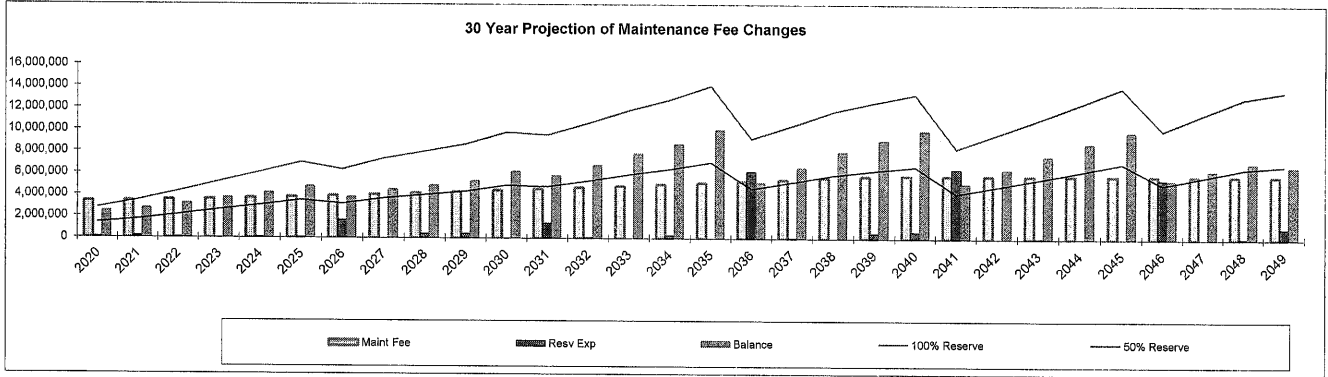
Board Approved 2020 Cash Flow Plan

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	2,049,436	66,401	0	3,651,284	3,404,481	717,756	2,453,989	Included	2,453,989	0.0%	404,552	88%
2021	2,453,989	150,364	0	3,724,310	3,438,526	722,307	2,740,148	38,956	2,779,104	1.0%	286,159	80%
2022	2,779,104	26,928	0	3,798,796	3,507,297	736,753	3,197,430	44,824	3,242,254	2.0%	418,326	75%
2023	3,242,254	0	0	3,874,772	3,577,443	751,488	3,696,412	52,040	3,748,452	2.0%	454,159	72%
2024	3,748,452	66,474	0	3,952,267	3,684,766	766,518	4,180,995	59,471	4,240,466	3.0%	432,542	70%
2025	4,240,466	28,577	0	4,031,313	3,795,309	781,848	4,757,733	67,486	4,825,220	3.0%	517,267	69%
2026	4,825,220	1,642,820	0	4,111,939	3,909,168	797,485	3,777,114	64,518	3,841,631	3.0%	(1,048,106)	61%
2027	3,841,631	0	0	4,194,178	4,026,443	813,435	4,487,332	62,467	4,549,799	3.0%	645,700	62%
2028	4,549,799	380,576	0	4,278,061	4,147,236	829,704	4,868,102	70,634	4,938,736	3.0%	318,303	62%
2029	4,938,736	408,157	0	4,363,622	4,271,654	846,298	5,284,908	76,677	5,361,585	3.0%	346,172	62%
2030	5,361,585	0	0	4,450,895	4,399,803	863,224	6,173,717	86,515	6,260,232	3.0%	812,132	64%
2031	6,260,232	1,362,735	0	4,539,913	4,531,797	880,488	5,769,869	90,226	5,860,095	3.0%	(490,362)	61%
2032	5,860,095	77,885	0	4,630,711	4,667,751	898,098	6,717,348	94,331	6,811,679	3.0%	857,253	64%
2033	6,811,679	0	0	4,723,325	4,807,784	916,060	7,812,197	109,679	7,921,876	3.0%	1,000,518	67%
2034	7,921,876	282,465	0	4,817,792	4,952,017	934,381	8,708,017	124,724	8,832,742	3.0%	786,141	69%
2035	8,832,742	0	0	4,914,148	5,100,578	953,069	9,972,240	141,037	10,113,278	3.0%	1,139,499	72%
2036	10,113,278	6,175,125	0	5,012,431	5,253,595	972,130	5,151,447	114,485	5,265,933	3.0%	(4,961,831)	57%
2037	5,265,933	36,243	0	5,112,679	5,411,203	991,573	6,519,786	88,393	6,608,179	3.0%	1,253,853	63%
2038	6,608,179	0	0	5,214,933	5,573,539	1,011,404	7,978,189	109,398	8,087,587	3.0%	1,370,010	69%
2039	8,087,587	497,542	0	5,319,231	5,740,745	1,031,632	9,043,191	128,481	9,171,672	3.0%	955,604	73%
2040	9,171,672	641,515	0	5,425,616	5,798,153	1,052,265	9,954,958	143,450	10,098,408	1.0%	783,286	76%
2041	10,098,408	6,404,198	0	5,534,128	5,798,153	1,073,310	5,031,544	113,475	5,145,018	0.0%	(5,066,864)	62%
2042	5,145,018	0	0	5,644,811	5,798,153	1,094,776	6,393,136	86,536	6,479,673	0.0%	1,248,118	67%
2043	6,479,673	40,815	0	5,757,707	5,798,153	1,116,672	7,595,975	105,567	7,701,542	0.0%	1,116,302	70%
2044	7,701,542	16,817	0	5,872,861	5,798,153	1,139,005	8,749,022	123,379	8,872,401	0.0%	1,047,480	71%
2045	8,872,401	0	0	5,990,319	5,798,153	1,161,785	9,842,020	140,358	9,982,378	0.0%	969,619	72%
2046	9,982,378	5,454,408	0	6,110,125	5,798,153	1,185,021	5,401,019	115,375	5,516,395	0.0%	(4,581,359)	55%
2047	5,516,395	0	0	6,232,327	5,798,153	1,208,721	6,290,941	88,555	6,379,496	0.0%	774,547	55%
2048	6,379,496	106,920	0	6,356,974	5,798,153	1,232,896	6,946,651	99,946	7,046,597	0.0%	567,155	54%
2049	7,046,597	986,662	0	6,484,113	5,798,153	1,257,554	6,631,528	102,586	6,734,114	0.0%	(415,069)	50%