

# The Collection - Tower

## Calendar Year 2021 Operating Budget and Reserve Study

### EXECUTIVE SUMMARY

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd on June 23, 2020

Approved by Board of Directors on September 22, 2020

#### PRESENT RESERVE LEVELS

Projected 2020 Ending Reserve Balance	\$2,487,909
Required End of 2020 Balance to be 100% Funded	\$4,348,088
Projected End of Year 2020 Percent Funding	57.2%

#### 2021 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2021 Balance to be 100% Funded	\$5,020,725
Year 2021 Reserve Outlays	\$445,721
Year 2021 Reserve Contribution Required to be 100% Funded	\$2,978,537
Plus Projected Operating Expense	\$3,743,725
Less Other Income	\$708,132
Fully Funded Maintenance Fee Change/Amount	76.7% \$6,014,130
Management Executive Recommendation	2.75% \$3,498,105

#### BOARD APPROVED YEAR 2021 MAINTENANCE FEES

Operating Expenses	\$3,743,725
Less Other Income	\$708,132
Maintenance Fee Change/Amount	2.75% \$3,498,105
Reserve Contribution / FHA Requirement 10% of Maint fees	13% \$462,512
Projected Funding Level/Balance at the End of Year 2021	49.89% \$2,504,699

Hawaiiana Management Company, Ltd

2021 Monthly Cash Operating Budget For

The Collection - Tower

Approved by Board of Directors on September 22, 2020

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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
REVENUE	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	TOTAL
MAINTENANCE FEES	291,509	291,509	291,509	291,509	291,509	291,509	291,509	291,509	291,509	291,509	291,509	291,509	3,498,105
ELECTRICITY REIMB - TOWER	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	636,000
ELECTRICITY REIMB - CHARGEPOINT	800	800	800	800	800	800	800	800	800	800	800	800	9,600
INVESTMENT INTEREST	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
HSKPG SVC FEES -LOFTS	960	960	960	960	960	960	960	960	960	960	960	960	11,520
MAINT SVC FEES-LOFTS	155	155	155	155	155	155	155	155	155	155	155	155	1,860
SECURITY SVC FEES-LOFTS	920	920	920	920	920	920	920	920	920	920	920	920	11,040
SECURITY SVC FEES - COMMERCIAL	675	675	675	675	675	675	675	675	675	675	675	675	8,100
TOTAL REVENUE	350,520	350,520	350,520	350,520	350,520	350,520	350,520	350,520	350,520	350,520	350,520	350,520	4,206,237

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	1,128,000
TV CABLE	22,006	22,006	22,006	22,006	22,006	22,006	22,006	22,006	22,006	22,006	22,006	22,006	264,072
WATER	8,271	8,271	8,271	8,271	8,271	8,271	8,271	9,098	9,098	9,098	9,098	9,098	103,387
SEWER	28,006	28,006	28,006	28,006	28,006	28,006	28,006	30,807	30,807	30,807	30,807	30,807	350,077
GAS	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	27,528
TOTAL UTILITIES	154,577	154,577	154,577	154,577	154,577	154,577	154,577	158,205	158,205	158,205	158,205	158,205	1,873,064

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
HVAC	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	23,400
WINDOW WASHING	18,393			18,393			18,393			18,393			73,570
ELEVATOR	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	38,364
TREE TRIMMING		2,500											2,500
GENERATOR	1,500												1,500
PEST CONTROL	800	800	800	800	800	800	800	800	800	800	800	800	9,600
REFUSE	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	61,200
COMPACTOR SVC	550			550			550			550			2,200
SECURITY EQUIPMENT	3,800			3,800			3,800			3,800			15,200
FIRE SYSTEM										29,000			29,000
ROOF	500						500						1,000
SUBMETERING	3,038	3,038	3,038	3,038	3,038	3,038	3,038	3,038	3,038	3,038	3,038	3,038	36,456
DRYER EXHAUST SYS. INSPECTION												400	400
BACKFLOW TEST												850	850
BOOSTER PUMP SVC	300			300			300			300			1,200
GATE MTCE	300			300			300			300			1,200
FITNESS EQUIPMENT MTCE	200	200	200	200	200	200	200	200	200	200	200	200	2,400
TOTAL CNTRCT SVCS	39,628	16,785	14,285	37,628	14,285	14,285	38,128	14,285	14,285	66,628	14,285	15,535	300,040

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BLDG MTCE	450	450	450	450	450	450	450	450	450	450	450	450	5,400
CLEANING SUPPS/EQUIPMENT	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
ELECTRICAL/LIGHTING SUPPLIES	275	275	275	275	275	275	275	275	275	275	275	275	3,300
PLUMBING/MECHANICAL REPR/SUPP	400	400	400	400	400	400	400	400	400	400	400	400	4,800
POOL & SPA	900	900	900	900	900	900	900	900	900	900	900	900	10,800
PAINT SUPPLIES	100	100	100	100	100	100	100	100	100	100	100	100	1,200
MISCL REPRS AND MAT/SUPPLIES	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
TOTAL MAINTENANCE	4,825	4,825	4,825	4,825	4,825	4,825	4,825	4,825	4,825	4,825	4,825	4,825	57,900

Approved by Board of Directors on September 22, 2020

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
PROFESSIONAL SVCS	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	TOTAL
AOAO ADMIN EXPS	65	65	65	65	65	65	65	65	65	65	65	65	780
EDUCATION EXPENSE	400												400
LEGAL FEES GENERAL	300			300			300			300			1,200
<b>TOTAL PROF. SERVICES</b>	<b>765</b>	<b>65</b>	<b>65</b>	<b>365</b>	<b>65</b>	<b>65</b>	<b>365</b>	<b>65</b>	<b>65</b>	<b>365</b>	<b>65</b>	<b>65</b>	<b>2,380</b>
<b>PAYROLL &amp; BENEFITS</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTAL</b>
PAYROLL - MANAGEMENT STAFF	21,781	21,781	21,781	21,781	21,781	21,781	32,671	21,781	21,781	21,781	21,781	32,671	283,147
PAYROLL - MAINTENANCE	12,180	12,180	12,180	12,180	12,180	12,180	18,271	12,180	12,180	12,180	12,180	18,271	158,345
PAYROLL - HOUSEKEEPING	19,155	19,155	19,155	19,155	19,155	19,155	28,732	19,155	19,155	19,155	19,155	28,732	249,011
PAYROLL - SECURITY	37,203	37,203	37,203	37,203	37,203	37,203	55,805	37,203	37,203	37,203	37,203	55,805	483,643
WORKERS COMP								27,116					27,116
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	6,333	6,333	6,333	6,333	6,333	6,333	9,499	6,333	6,333	6,333	6,333	9,499	82,327
PAYROLL PREP	346	346	346	346	346	346	346	346	346	346	346	346	4,152
UNIFORMS	785			785			785			785			3,140
<b>TOTAL P/R &amp; BENEFITS</b>	<b>112,283</b>	<b>110,498</b>	<b>110,498</b>	<b>112,283</b>	<b>110,498</b>	<b>110,498</b>	<b>160,609</b>	<b>137,614</b>	<b>110,498</b>	<b>112,283</b>	<b>110,498</b>	<b>158,824</b>	<b>1,456,880</b>
<b>OTHER EXPENSES</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTAL</b>
INSURANCE - ART WORK DEDUCTIBLE	10,000												10,000
MASTER ASSOC DUES	3,622	3,622	3,622	3,622	3,622	3,622	3,622	3,622	3,622	3,622	3,622	3,622	43,460
<b>TOTAL OTHER EXP.</b>	<b>13,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>53,460</b>
<b>TOTAL OP EXPENSE</b>	<b>325,699</b>	<b>290,371</b>	<b>287,871</b>	<b>313,299</b>	<b>287,871</b>	<b>287,871</b>	<b>362,125</b>	<b>318,616</b>	<b>291,500</b>	<b>345,927</b>	<b>291,500</b>	<b>341,075</b>	<b>3,743,725</b>
LOAN PAYMENTS													
TRANSFER TO RESERVES	24,821	60,148	62,648	37,221	62,648	62,648	-11,605	31,904	59,020	4,593	59,020	9,444	462,512

**THE COLLECTION - TOWER YEAR 2021 RESERVE PROJECTS AS OF SEPTEMBER 22, 2020**

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	2021	Reference Year	2020	THE MODEL'S FINDINGS FOR % FUNDING			2020 Deficit	CHANGE	CONTRIB	FEEs
Final Plan Year	2040			Recommended Reserve Funding	100%	1,860,180	77%	2,532,816	6,014,130	
2020 Maintenance Fees	3,404,481	2021 Maint Fees	3,498,105	Target Reserve Funding Level	50%	(313,865)	2.92%	22,454	3,503,768	
2020 Other Income	822,574	2021 Othr Inc	708,132	Minimum Reserve Funding Level	50%	(313,865)	3%	22,454	3,503,768	
2020 Operating Expenses	-3,623,823	2021 Exp	-3,743,725	EOY 2021 Funding % @ Approved Le	49.89%		3%	16,791	3,498,105	
2020 Reserve Contribution	603,233	2021 Contribution	462,512	Condition Codes		Source Codes		Source Codes		
Projected Reserves At Start of 2021	2,487,909	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5	
Projected Reserve % at Start of 2021	57.2%	Tgt Ann Contrib	543,511	GOOD	G	Contractor Estimate	2	Statistical Guideline	6	
Minimum Inflation	1.3%	Req Contrib-Tgt	229,646	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	Yes	
Projected Savings Interest	0.5%	App. % Change	2.75%	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	Qmnt	RES	DEFICIT
Window Seal - Repairs		5	2016			2021	425,000		340,000	340,000	
Pool Ph & CI Control	-1	6	2016			2021	7,500		6,000	6,000	
Spa Ph & CI Control	-1	6	2016			2021	7,500		6,000	6,000	
Pool Furniture & Soft Goods		6	2016			2022	32,000		21,333	21,333	
Soft Goods -Lobby & Club Room		8	2016			2024	90,000		45,000	45,000	
Vehicle Gate Operators		8	2016			2024	18,000		9,000	9,000	
Compressor - Replace		8	2016			2024	15,000		7,500	7,500	
Electrical Panels -Repair		8	2016			2024	10,000		5,000	5,000	
Vehicle Gate Control System		8	2016			2024	8,800		4,400	4,400	
Spa Pump Motor		8	2016			2024	6,000		3,000	3,000	
Pool Pump Motor		8	2016			2024	3,000		1,500	1,500	
Spa Equipment - Replace		8	2016			2024	3,000		1,500	1,500	
Artificial Green Turf -Replace		9	2016			2025	35,000		15,556	15,556	
Teak Wood Deck		9	2016			2025	24,600		10,933	10,933	
Condenser -Replace		9	2016			2025	13,350		5,933	5,933	
Carpeting Hallway		10	2016			2026	645,000		258,000	258,000	
Exterior Painting PH1		10	2016			2026	620,000		248,000	248,000	
Hallway Painting		10	2016			2026	315,000		126,000	126,000	
Interior Surface Painting		10	2016			2026	260,000		104,000	104,000	
Parking Deck - Repairs		10	2016			2026	160,000		64,000	64,000	
Cabanas & BBQs -Refurbish		10	2016			2026	35,000		14,000	14,000	
Pool -Resurface		10	2016			2026	32,000		12,800	12,800	
Window Treatment		10	2016			2026	16,000		6,400	6,400	
Condenser Split System		10	2016			2026	13,100		5,240	5,240	
Spa -Resurface		10	2016			2026	12,000		4,800	4,800	
Condenser Barrel	5	5	2016			2026	10,000		4,000	4,000	
Dog Park Furniture		10	2016			2026	7,000		2,800	2,800	
Exterior Painting PH2	1	10	2016			2027	620,000		225,455	225,455	
Fitness Center Equipment -Replace		12	2016			2028	225,000		75,000	75,000	
Interior Flooring Wood Strip -Refinish		12	2016			2028	172,000		57,333	57,333	
Crown Lighting		12	2016			2028	125,000		41,667	41,667	
Furniture (Metal) -Replace		12	2016			2028	100,000		33,333	33,333	
Emergency Lighting		12	2016			2028	87,135		29,045	29,045	
Elevators -Realignment (4)		12	2016			2028	60,000		20,000	20,000	
Elevator Lobby Lighting		12	2016			2028	43,750		14,583	14,583	
Trash Compactor		12	2016			2028	22,500		7,500	7,500	
Interior Wood Baseboard/Paneling -Refinish		12	2016			2028	14,000		4,667	4,667	
Dog Park Turf		12	2016			2028	10,000		3,333	3,333	
Pool Filter		13	2016			2029	6,000		1,846	1,846	
Spa Filter		13	2016			2029	6,000		1,846	1,846	
Pressure Fan		14	2016			2030	69,200		19,771	19,771	
Ceiling Lights		14	2016			2030	41,250		11,786	11,786	
Pool Heater		14	2016			2030	8,000		2,286	2,286	
Spa Heater		14	2016			2030	8,000		2,286	2,286	
Water Submetering		15	2016			2031	340,000		90,667	90,667	
Supply Fan		15	2016			2031	166,050		44,280	44,280	
Interior Wallcovering		15	2016			2031	143,000		38,133	38,133	
Elevator Cabs -Remodel (4)		15	2016			2031	100,000		26,667	26,667	



### The Collection - Tower

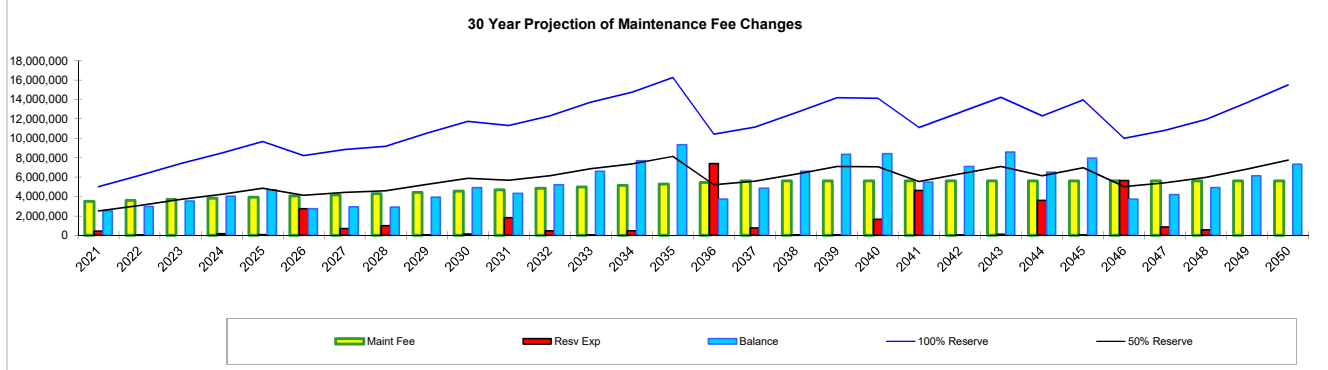
#### Board Approved 2021 Cash Flow Plan

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: 1.3%

Assumed Savings Interest Rate: 0.5%



#### Contingency Reserve Fund

\$0

CY Year	Starting Balance	-Reserve Expense	-Loan Payments	-Operating Expenses	+Maint. Fees	+Other Income	=Intern Bal	+Interest Income	=Ending Balance	% Maint. Fee Change	Net Reserve Contrib.	Percent Funded
2021	2,487,909	445,721	0	3,743,725	3,498,105	708,132	2,504,699	Included	2,504,699	2.75%	16,791	50%
2022	2,504,699	32,837	0	3,792,393	3,603,048	686,948	2,969,465	13,685	2,983,150	3.0%	464,765	48%
2023	2,983,150	0	0	3,841,694	3,711,139	695,878	3,548,473	16,329	3,564,802	3.0%	565,323	48%
2024	3,564,802	161,954	0	3,891,636	3,822,473	704,924	4,038,609	19,009	4,057,618	3.0%	473,807	48%
2025	4,057,618	77,817	0	3,942,228	3,937,148	714,088	4,688,809	21,866	4,710,675	3.0%	631,191	49%
2026	4,710,675	2,755,587	0	3,993,477	4,055,262	723,372	2,740,245	18,627	2,758,872	3.0%	(1,970,430)	34%
2027	2,758,872	695,089	0	4,045,392	4,176,920	732,775	2,928,087	14,217	2,942,304	3.0%	169,214	33%
2028	2,942,304	988,417	0	4,097,982	4,302,227	742,302	2,900,434	14,607	2,915,041	3.0%	(41,870)	32%
2029	2,915,041	13,480	0	4,151,256	4,431,294	751,951	3,933,551	17,121	3,950,673	3.0%	1,018,510	38%
2030	3,950,673	143,884	0	4,205,222	4,564,233	761,727	4,927,527	22,195	4,949,722	3.0%	976,854	42%
2031	4,949,722	1,828,120	0	4,259,890	4,701,160	771,629	4,334,502	23,211	4,357,712	3.0%	(615,221)	38%
2032	4,357,712	465,367	0	4,315,268	4,842,195	781,660	5,200,932	23,897	5,224,829	3.0%	843,220	43%
2033	5,224,829	17,744	0	4,371,367	4,987,461	791,822	6,615,000	29,600	6,644,600	3.0%	1,390,172	48%
2034	6,644,600	469,038	0	4,428,195	5,137,085	802,116	7,686,567	35,828	7,722,395	3.0%	1,041,968	52%
2035	7,722,395	0	0	4,485,761	5,291,197	812,543	9,340,374	42,657	9,383,031	3.0%	1,617,979	58%
2036	9,383,031	7,376,525	0	4,544,076	5,449,933	823,106	3,735,469	32,796	3,768,266	3.0%	(5,647,562)	36%
2037	3,768,266	772,240	0	4,603,149	5,613,431	833,807	4,840,114	21,521	4,861,635	3.0%	1,071,848	44%
2038	4,861,635	56,778	0	4,662,990	5,613,431	844,646	6,599,944	28,654	6,628,598	0.0%	1,738,309	52%
2039	6,628,598	19,174	0	4,723,609	5,613,431	855,627	8,354,873	37,459	8,392,331	0.0%	1,726,275	59%
2040	8,392,331	1,666,918	0	4,785,016	5,613,431	866,750	8,420,578	42,032	8,462,610	0.0%	28,247	60%
2041	8,462,610	4,623,027	0	4,847,221	5,613,431	878,017	5,483,811	34,866	5,518,677	0.0%	(2,978,800)	50%
2042	5,518,677	15,944	0	4,910,235	5,613,431	889,432	7,095,361	31,535	7,126,896	0.0%	1,576,684	56%
2043	7,126,896	98,186	0	4,974,068	5,613,431	900,994	8,569,067	39,240	8,608,307	0.0%	1,442,171	61%
2044	8,608,307	3,587,746	0	5,038,731	5,613,431	912,707	6,507,968	37,791	6,545,759	0.0%	(2,100,339)	53%
2045	6,545,759	20,720	0	5,104,234	5,613,431	924,572	7,958,808	36,261	7,995,069	0.0%	1,413,049	57%
2046	7,995,069	5,655,839	0	5,170,589	5,613,431	936,592	3,718,664	29,284	3,747,948	0.0%	(4,276,406)	37%
2047	3,747,948	878,712	0	5,237,807	5,613,431	948,768	4,193,627	19,854	4,213,481	0.0%	445,679	39%
2048	4,213,481	572,200	0	5,305,899	5,613,431	961,102	4,909,915	22,808	4,932,724	0.0%	696,434	41%
2049	4,932,724	0	0	5,374,875	5,613,431	973,596	6,144,875	27,694	6,172,569	0.0%	1,212,152	45%
2050	6,172,569	0	0	5,444,749	5,613,431	986,253	7,327,504	33,750	7,361,254	0.0%	1,154,935	48%