



KEHALANI COMMUNITY ASSOCIATION 2020 ANNUAL OPERATING BUDGET

The Kehalani Community Association Board of Directors have worked diligently to minimize and more efficiently utilize the Associations Operating Budget for the year 2020. However, the costs continue to rise and have increased by approximately 9 % or \$82,479 over 2019. The increase is due in part to the following expense categories: Landscape Maintenance – increase includes the addition of a new park and bike path (\$114,732), Administrative Supplies & Services – additional services for additional owner mail outs and new owner coupons (\$27,000), Payroll/Benefits (\$7,365), Master Insurance Policy increase (\$2,612) and increase in Real Property Taxes (\$3,580). However, we were able to offset these increases with the following: Revenues – increased homeowner members (\$71,760), Ground Maintenance – decrease in supplies usage (\$6,000), Legal Fees – Collection Agency reduction due to lower delinquency (\$9,464), and Reserve Study delay (\$2,115).

The Board continues to diligently monitor and minimize costs associated with the operations of the Association in light of the rising cost of operations. The Board is striving to stay ahead of repair and maintenance costs associated with our infrastructure and amenities, with the aging of our community and its infrastructure on the one hand and the increase of infrastructure associated with continued new home developments that will continue into the future. The Kehalani Community Association currently has 1,746 homeowner members and it will continue to increase with full build out at approximately 2,300 units.

The Association continues its modernization, streamlining and enhancement of our communication and informational abilities with our member homeowners. The budget also reflects these and other efforts being made by the Board in maintaining the desirability and livability of the Kehalani Community. The Association has been successful in its aggressive collection of delinquent and outstanding dues, fees and fines from homeowners, recovering upwards of \$181,795.00 since the program started in 2017, reducing our delinquency balance to \$60,960.39 as of September 30, 2019.

The Board continues in its efforts to resolve many unresolved past issues relating to irrigation and water use, the non-dedicated main collector roads within our Community to Maui County and continued legal research into the proper administration and enforcement of our DCC&Rs. These are time and resource consuming efforts, necessitated by its lack of use and understandings but necessary in order to determine the proper actions that need to be taken. The Board is hopeful that the resolution of these issues will provide the Association with a better foundation for the future.