

CFMA HONOLULU CHAPTER

PRESIDENT'S MESSAGE



Aloha Everyone!

It has been a very busy past few months for your chapter. In keeping with your Board's promise, we have put on a variety of events during the past few months – to provide you with educational and networking opportunities as well to provide a break in your workweek to just have some “fun”.

In July, Hawaiian Dredging (Project Manager Wes Asao & CFMA member Ryan Nobriga) hosted our group on a job site visit to their SALT project in Kakaako. It was interesting to

hear about and see the changes that will take place in this one block area in Kakaako. The “after tour recap” and “pau hana” social hour was held on site at the Bevy restaurant.

In August, our chapter hosted a Brown Bag lunch session featuring Tom Barbano of Travelers. Tom spoke about Cyber Insurance coverage – what steps you need to take to protect your company from cyber risk. Our chapter hosted a Brown Bag session in September on the Affordable Care Act. Terri O'Connell of Goodsill Anderson Quinn & Stifel put on a very informative presentation on the reporting requirements under the ACA.

Our chapter successfully hosted our annual CFMA Golf Tournament in September. We had 52 golfers join us this year for a relaxing afternoon on the links. What the golfers scored was secondary to the opportunity to network and just have “fun” for the afternoon. Thank you very much to our sponsors in helping to make this event an enjoyable one for our members: King & Neel, Travelers, Zurich, and First Insurance.

To cap off a very busy quarter, we toured the Plaza at Waikiki, a newly completed Assisted Living community located at the gateway to Waikiki. As we (or our loved ones) approach our golden years, it was very informative afternoon learning about how these “communities” operate. The “after tour debrief” and “pau hana” social hour was held at Chez Kenzo.

On behalf of your chapter's Board members, I would like to wish you all the best in 2016.

Raymond

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UPCOMING EVENTS

CFMA SOCIAL

FRIDAY, JANUARY 29TH

TOMMY BAHAMA ROOFTOP BAR

Please join us for a Hawaiian sunset while sipping exotic cocktails and enjoying delicious pupus at the Tommy Bahama Rooftop Bar. Play in the sandbox or get warm and toasty by the fire pit. Please see the flyer at the end of the newsletter for more information.



CFMA GOLF TOURNAMENT







BROWN BAG: CYBER SECURITY



CFMA welcomed Tom Barbano of Travelers as our Brown Bag speaker on August 26th. Tom addressed the group of 19 members and guests, and spoke about the exposures to cyber risk in the construction industry. His presentation included the different types of cyber risks; Hawaii's definition of a security breach; what legal steps must be done in the event of a breach; how companies can use insurance to mitigate cyber risks; as well as several horror stories that would make any IT person, or officer or director of a company cringe. Tom emphasized the importance of 1) having security and anti-virus programs in place because hackers will target companies with the lowest levels of security, and 2) having a plan in place in the event of any incidence where there is a potential for data to be lost. Tom has graciously agreed to share his slides, which are attached to this newsletter. Thanks also to Stephanie Rae who arranged for Tom to make the presentation.

BROWN BAG: AFFORDABLE CARE ACT



In response to a member's request, CFMA held a brown bag session to educate ourselves on the Affordable Care Act, which covered not only the law, but also how to avoid penalties and how to complete required forms. We were lucky to have a true expert in Terri O'Connell, Esq. of Goodsill Anderson Quinn & Stifel, deliver the presentation. A big Mahalo to Terri, who was able to efficiently pack a lot of good information in a limited amount of time, as well as answer all the questions that came up during the session. We were relieved to hear that penalties would be waived if good faith efforts were made to complete forms and submit before the due dates in early 2016.

Terri graciously allowed CFMA to share her slides with our membership so please use the information attached to this newsletter as a reference; however, the documents are proprietary so please ensure it is not distributed outside your organizations.

FIRST HAWAIIAN BANK BREAKFAST SEMINAR



On October 28th, our Chapter provided an educational seminar on “Employee Benefits, Business Succession Planning, and Exit Strategies.” Our subject matter experts were Wealth Advisors, Noel Mau and Michael Scherr from First Hawaiian Bank. These topics are very relevant given the currently tight labor market, aging workforce as well as business owners, and complexity of the Affordable Care Act.

With respect to Business Succession and Exit Strategies, Mike Scherr provided a broad overview of options ranging from ESOPs, MSOPs, buy/sell agreements, sale to family members, and many others. He differentiated the methods in two categories: sale or transfer during the owner’s life and sale of transfer upon the owner’s death. The options ranged from transfer to heirs or family, sale to the employees or key management, and sale to a 3rd party.

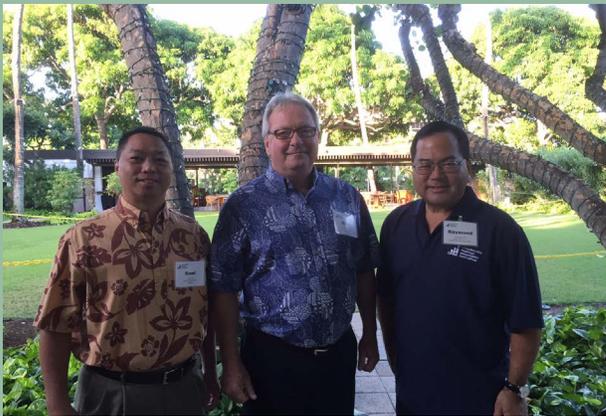
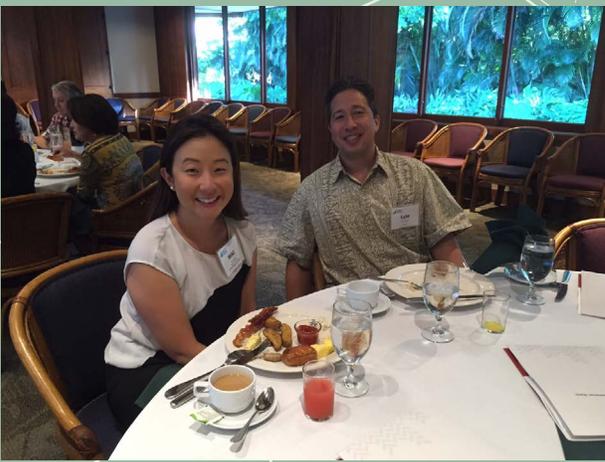
In turn Mike discussed the various pros and cons to each option. Ultimately he suggested that each business owner discuss their goals with their team of trusted advisors, including their wealth advisor, CPA and/or attorney. Mike also spoke about non-qualified employee benefits, specifically supplemental executive retirement and split dollar plans. They can be an effective means of rewarding your key

employees and helping to drive retention. These programs can serve as non-traditional, retirement vehicles with tax advantages.

With respect to Employee Benefits, Noel Mau first spoke about the Affordable Care Act and the House Bill H.R. 1624 that was passed defining “Small Employers” as companies with less than 50 Full Time Employees. Ultimately the reporting requirements are stringent and very time consuming. Estimates to complete the forms 1094/1095 ranged from 24 hours for a 100 employee company to 104 hours for a 500 employee company.

Thereafter he discussed non-qualified, employee benefits commonly referred to as cafeteria plans. These plans are employer sponsored but may be employee funded. In other words medical insurance, life and disability insurance, and other benefits could be obtained by employees at affordable prices and in most cases without medical screening through these group plans. Overall the benefits for offering employee benefits include higher employee loyalty and retention. Mahalo to Mike, Noel and Neill Char for arranging the presentation!

FIRST HAWAIIAN BANK BREAKFAST SEMINAR



PLAZA JOBSITE VISIT

On October 14, 2015 CFMA members toured the 5th assisted living facility developed by MW Group, Ltd. The tour was conducted by Colby Takeda (administration manager) and Dawn Calpito (sales manager). The project resides on Kalakaua Avenue right at the gateway to Waikiki and boasts beautiful panoramic views of Diamondhead and the Ala Wai Boat Harbor. The 8-story, pet-friendly building just opened in October and is currently taking in new residents. The assisted living project plans to have over 40 residents in its first month and already has 100 more deposits for its rooms. The building is beautifully designed with critical attention to detail for both form and functionality for its residents age 60 and over. The project was built by Sound Building Systems and offers both independent and assisted living options as well as respite care.

As we toured the building, the layout, use of space, friendly colors and art décor gave us a very welcoming, peaceful, and homey feeling. The common areas provide natural lighting with views throughout Waikiki, not to mention all of the services of a 5-star hotel including: a fitness center, dining facility with a complete ala carte menu, barbecue area, movie theater, hair salon, and laundry services. Guests and family are also welcomed at any time.

Prices start at \$4,295 for one person and couples at about \$5,000 per month. The fee structure is based on a “pay as you go” method without any large cash payment upfront. The fee includes 3 meals per day and snacks.

Overall it is apparent that the MW Group is an expert in the assisted living industry and building a wonderful future our aging ohana. Mahalo to Colby, Dawn, Tricia Medeiros, and Colin Yokoyama for arranging the tour!





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