

BUILDING BLOCKS

CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION
HONOLULU CHAPTER



PRESIDENT'S MESSAGE

NEILL CHAR

Dear CFMA Members,

ALOHA!

Thank you for your continued membership and support of our local chapter. Over the next 2 years I'd like to build upon Wes' mission to get our membership more involved and to raise the level of participation through meaningful seminars, brown bags and events. In addition, my goals are somewhat parallel to those of the National Board. They are to provide: more tangible membership VALUE, additional organizational TRANSPARENCY, and stronger membership PARTICIPATION.



National also wants to focus on external recognition of local chapters and members. The good news is that National is putting its money (aka our dues) to where its mouth is and you will see some of this forthcoming.

Now here's a little bit of Neill's "mana'o". In Hawaiian this means "thoughts". Since 2008 the road to economic recovery has forced all of us to do more with less while maintaining the quality of our output. Interestingly the term "value engineering" came to mind but with a different perspective. I always thought that for contractors and developers that value engineering just meant finding the lowest cost way to build something while meeting all necessary building specifications and code requirements.

According to Wikipedia, value engineering is defined as the ratio of "function" to "cost". For all of you CFOs, you know there are 2 variables that you can drive to increase value – either increase the numerator or "function" and/or lower the denominator or "cost."

Maybe it's human nature or for finance gurus, it's easier to focus on the denominator, called cost. Often during tough economic times, I see more companies (and consumers) solely focused on cost and more specifically finding ways to cut costs. While this is absolutely critical to our survival, I hope that all of us view function or value as an equally important if not, the more important variable. After all do you think i-Phones are cheap? Or do you believe that Apple developed a smart phone that provides tremendous value that consumers are willing to pay for? Therefore the i-Phone quotient is high and has also led to Apple's financial success.

I urge all of you to take a moment to be introspective at your own respective companies, just as I am asking our Board to figure out how we can raise the value of being a member of CFMA. I have been critical of National's use of our membership dues, either \$440 or \$340 (plus our local chapter dues of \$65) and am very pleased to see the initiatives that they are rolling out for the betterment of CFMA at both the National and local levels. Sorry I don't think dues are going to get cut so don't focus on the cost, but instead focus on value.

Lastly to help propel CFMA further, we need your feedback – positive and negative, but I much prefer the term "constructive" after all we are "Construction" Financial Management Association! Please feel free to call or email me at 525.6321 or nchar@fmb.com with your feedback and what other benefits that we can be providing to our membership.

Mahalo nui loa,

Neill Char

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IMPORTANT DATES

- JULY 31, 2013
JOBSITE VISIT: NATIONAL GUARD
READINESS CENTER
(SARATOGA AVE. KALAELOA)
- SEPTEMBER 6, 2013
CFMA ANNUAL GOLF
TOURNAMENT
(EWA BEACH GOLF CLUB)
- NOVEMBER 15, 2013
BASICS OF CONSTRUCTION
ACCOUNTING CLASS
(GCA OF HAWAII)

CFMA INSTALLATION BANQUET

2

APRIL 18, 2013

A-L-O-H-A!

Our CFMA Honolulu members and guests gathered at the Oahu Country Club on April 19, 2013 for our Annual Installation Banquet. The rainy Nuuanu weather cleared up into a beautiful evening just for our celebration. The formal meeting was brief and focused on membership and our Chapter's committees. The mood was festive, comfortable and friendly and full of camaraderie and fellowship.

Our program started with Lisa Vandergriff formerly with CFMA Alaska and now a new member of our Chapter. She spoke to the group about her experience in CFMA at the national level and is now a proud resident of Hawaii nei on the Island of Hawaii!

Outgoing president Wes Mikuni discussed the major accomplishments for our Chapter and his focus on membership participation and a healthy dose of seminars and brown bags. It was very timely as SB 1289 was on the minds of everyone whether you were for it or against it. Subsequent to our banquet, the bill was deferred by the Senate.

Incoming president Neill Char provided an overview of his mission for the next 2 years – to provide more value to our members; this is also a core mission for CFMA National. National President and CEO, Stuart Binstock had also recently commented about CFMA's four strategic goals, "member value, chapter/headquarters relationship, education, and external recognition." He also asked the group to provide the Board with feedback and suggestions on what they found valuable. PLEASE SPEAK UP!

Thereafter the 2013 – 2015 board of directors and committee chairs were introduced. Each chair provided highlights of their committee and benefits for participating. PLEASE COME OUT TO OUR EVENTS IN 2013!

Lastly we'd like to thank all of our generous members and their companies who graciously donated over 40 prizes and gifts for the event. Nobody left empty handed!



APPROVED BOARD OF DIRECTORS FOR 2013-2015

PRESIDENT

Neill Char

TREASURER

Michele Kaneshiro

SECRETARY

Thalia Choy

DIRECTORS

Brad Char

Wes Mikuni

Raymond Nii

Nick Tan

Frank Wirt

James Wong

Craig Yamasaki



LUNCHEON STATE OF HAWAII IT TRANSFORMATION PLAN

On May 8th the State of Hawaii's Chief Information Officer, Sanjeev "Sonny" Bhagowalia presented CFMA members his IT Transformational Plan. The plan has three main focal points, (1) improving delivery of services and programs for residents and businesses, (2) streamlined workflow processes for State employees, and (3) to efficiently align services for State departments.

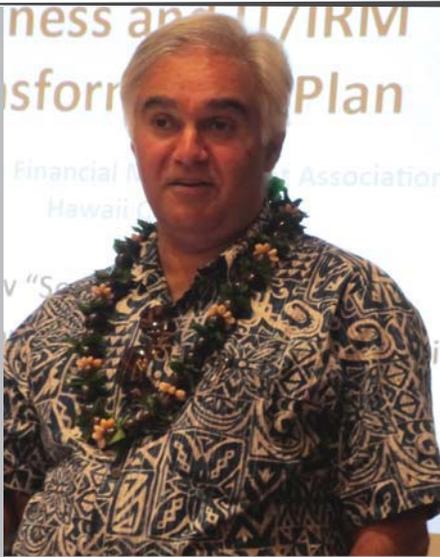
The IT Transformational Plan's Top priority programs are as follows:

- Tax Modernization Initiative- Streamline and modernize the tax process
- Health IT- A more effective and efficient patient-focused healthcare system
- Enterprise Resource Planning- Technology modernization for core functions
- Education- Longitudinal data system and other educational improvements

- Enterprise Infrastructure- One network serving the entire State with guaranteed service levels
- Enterprise Shared Services- System-wide collaborative information systems
- Enterprise Security/Privacy- Identity, credential, and access management
- Mission Applications and Open Gov- Rapid, agile development of government data
- Enterprise Governance- Performance dashboards for all phases of government

In addition, Mr. Bhagowalia introduced members to the State's new portal Hawaii.gov and informed us of the State's Broadband Initiative. The State hopes to provide affordable gigabit-per-second broadband speeds throughout Hawaii by 2018.

More information of the IT Transformational plan can be found at oimt.hawaii.gov.



NEW MEMBERS

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We're happy to report that a new member, Dustin Verity, has joined CFMA and the Honolulu Chapter.

Dustin is a principal with Verity Accountancy Corp. Welcome Dustin!

ACT 105 SUNSETS

WES MIKUNI

Act 105 Sunsets!

After much speculation and waiting, the long anticipated guidance on the expiration of Act 105 has been distributed by the State Department of Taxation, under Announcement No. 2013-04. The official notice brings forth a sigh of relief, but Hawaii members actually had an early glimpse of what was on the mind of Director Fred Pablo when he spoke at our CFMA luncheon. In confirmation of his earlier position, the new guidelines state that unlike the grandfathering in of contracts entered into prior to July 1, 2011, *"Act 105 contains no similar grandfathering out provisions. Therefore, gross receipts received or accrued on or after July 1, 2013 will be subject to all applicable exemptions and exclusions suspended under Act 105, regardless of when the taxpayer enters into the contract which gives rise to the income."*

This is good news for all industries affected by the burdensome Act. Hopefully owners and developers will be inclined to move forward with projects that may have been on hold due to the temporary GET surcharges.

A big mahalo goes out to everyone who submitted testimony in the past month to convince the Department of Taxation to issue guidance in support of a clean cutoff of Act 105. Similar to what we experienced with SB1289, our collective voices DO count and CAN have an impact on the way we do business. CFMA will again call on its members in the future to support important legislative efforts, so please KOKUA

The Department of Taxation Announcement No. 2013-04 regarding the Sunset of Act 105, Session Laws of Hawaii 2011, Relating to Taxation has been posted to our website.

For your convenience, you may click on the link below:

<http://www6.hawaii.gov/tax/announce/ann13-04.pdf>

CFMA NATIONAL CONFERENCE

RAYMOND NII

The national CFMA Annual Conference provides financial professionals in the construction industry an opportunity to grow professionally by offering educational sessions (with CPE credits) geared towards those in the construction industry, vendor exhibits, and relationship building connections with other professionals in the construction industry from around the country. Educational topics covered a wide range of subject areas: accounting and finance, benefits and human resources, heavy and highway specific, leadership and management, risk management and surety, and technology – all areas that a financial professional in our industry may be responsible for as one of the leaders in their company.

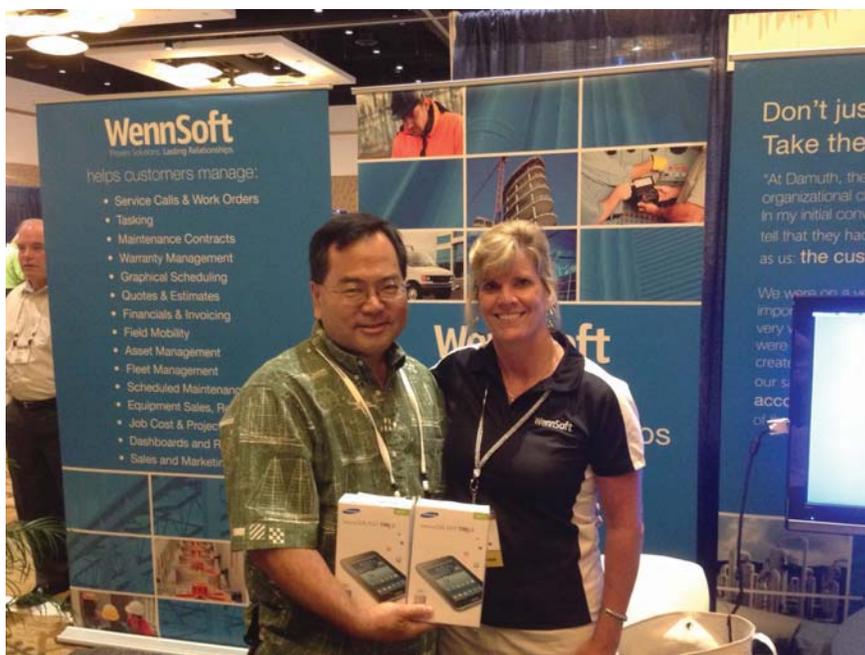
This year, there were over sixty exhibitors at the conference. The exhibitors ranged from construction management software solution providers, accounting firms, tax specialty service providers, cloud based solution providers, insurance and risk management firms, payroll and payment automation solution providers, electronic certified payroll providers, to exhibitors that specialize in promotional items and magazines. The exhibition hall was definitely a place to be as it was a one stop shop to compare products from various vendors. Even though you might be using a product from one vendor, it is still good to see what others in the industry have to offer. You never know what you might come across – a conversation with another vendor might lead you back to your present solution provider who may just have a similar offering in their line that you were not aware. One “negative” comment I heard from an attendee about talking with too many exhibitors – the barrage of e-mails and phone calls that follow after the conference when you get back to the office. The way to look at this situation is that it is a “small price to pay” for the amount of information and knowledge gain you take away from the exhibit hall.

At the conference, there were several sessions dedicated to “round table” discussion groups. At each table, your peer group, consisting of six to eight members, discussed topics of interest as related to the group (group sessions were broken down by company size or specialty trade). The group sessions provided insight into how various companies deal with certain situations and provided the opportunity to make connections with like positioned professionals from around the country (who, in most cases, were not a direct competitor with your business). Though these sessions were scheduled for early morning, they were well worth your attendance as the interaction between peers was quite informative and thought provoking.

CFMA’s annual financial conference, although quite packed from dawn to dusk with educational sessions and informative general sessions and exhibitor booths to visit, did provide attendees a chance to unwind and enjoy the host city by providing a range of fun-filled activities as well. For example, this year, attendees could enter the CFMA golf tournament, enjoy the welcome and networking reception with the exhibitors, win prize drawings from the exhibitors, go to see a professional baseball game, and close out the conference at the “Night at the Museum” reception. Next year’s conference will be at Caesar’s Palace in Las Vegas – hope to see you all there!



EVANGELINE CALAUSTRO, TIFFANY TRANG, SANDRA BREWER
AND RAY NII



PRIZE WINNER OF TWO GALAXY TABLETS

"The 2013 CFMA Conference was once again a resounding success. Full of great sessions with excellent speakers who shared pertinent and current information about our industry.

My biggest problem was too many good sessions to pick from and not being able to attend them all".

"The conference offers great learning opportunities for all members. But it also offers something just as valuable, an opportunity to extend relationships across the country in all areas of our industry."

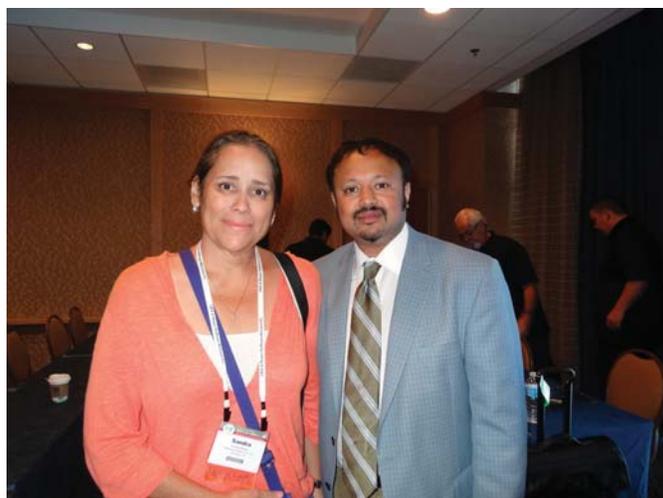
- LISA VANDERGRIFF



PETCO PARK



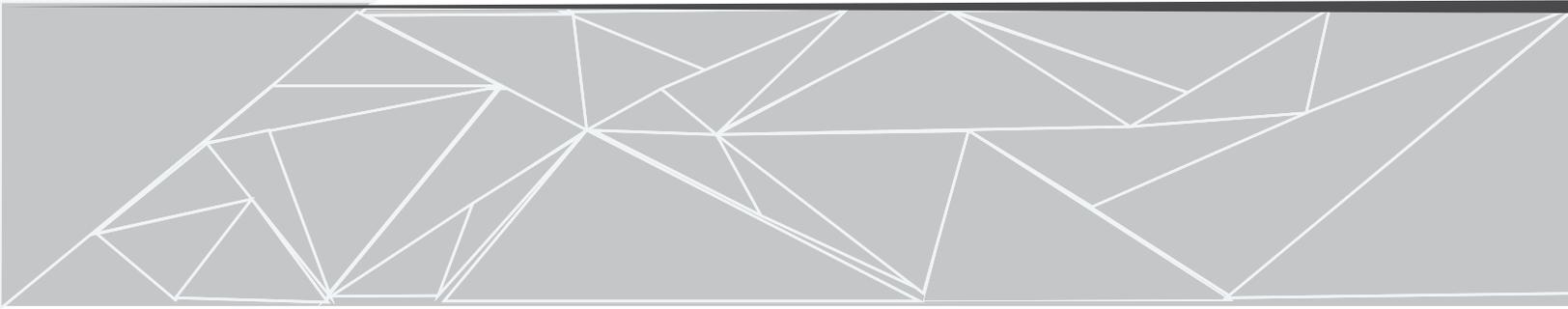
AIR & SPACE MUSEUM



SANDRA BREWER & ANIRBAN BASU



STEVE LORDS AND LISA VANDERGRIFF





Nan Inc



THE CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION, HONOLULU CHAPTER

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Yamasaki, PKF Pacific Hawaii LLP; Newsletter Editor: Brad Char, RedHammer LLC

ON THE WEB AT: <http://honolulu.cfma.org/HonoluluHI/Home/>

FOR MEMBERSHIP INFORMATION CONTACT NICK TAN AT (808) 343-6886



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