

Villa Monterey IV – Resort Park Association
Board Meeting Minutes
May 17, 2023
5:30 PM

Meeting held at the Clubhouse

Board Members Present:

Jennie Vidrih, President
Joanie Reid, Vice President (On Zoom)
John Galati, Treasurer, (On Zoom)
Jean Tyseling, Secretary
Mike Flamini, Facility Management Director
Debra Lentz, Architectural Review Committee Chair
Tammy Vogel, Social Director

Board Members Absent:

Chad Kromm, Real Estate Director

Call to Order

Joanie called the meeting to order at 5:30 PM.

Approval of Minutes – Joanie Reid

The Minutes of the Annual Board Meeting of April 15, 2023 were presented. Tammy Vogel moved to approve and Mike Flamini seconded the motion. Debra Lentz abstained. The Minutes were approved. They are available on the website: resortpark.org.

Architectural Review Committee Chair-Debra Lentz

- Debra reported that 4826 N 76th Pl removed 2nd floor bars and replaced house numbers. Approved. Windows pending.
- 7737 E Chaparral paint approval request approved.
- 7755 E Mariposa closing off east backyard gate with cinder blocks and increase wall height on west wall. Both Approved.
- 7713 E Northland Dr. replace concrete driveway with pavers. Both HOA and City approved.

Facilities Report-Mike Flamini

- Mike reported on the pool deck and what needs to possibly be repaired/replaced. Drainage is an issue and may need a sump pump along with the pool deck recoated. Bids for pool deck have averaged \$25,000 for redoing exactly the way it was. Possibly will crack again in 3-4

years. Looking for volunteers to get quotes for solution to pool. Tammy volunteered to help Mike.

- Security is a big issue with people coming onto Clubhouse grounds that we don't know. We need gates (electric for the card/fob access type locking system) and Jerry Mosier has offered to help Mike with this.

Social Activities Report - Tammy Vogel

- Tammy explained the Good Neighbor Committee vs. the Neighborhood Watch Committee.
- GNC is made up of owners and board members who go out and look at properties to make sure they are in compliance with our Rules and Regulations. Board members on this committee are Vice President and Real Estate Director (as of July 1, 2023).
- NW is made up of two board members who direct enforcement of safety for our community. Board members include Social Director and Member at Large (as of July 1, 2023).
- Tammy reported we need to update our connection for Zoom usage at a cost of \$2,200.00.
- Coffee and Donuts gathering will continue the 1st Saturday of each month throughout the summer months.
- A July Potluck is being considered if there is sufficient interest from the owners. Please contact Tammy if you want to participate.
- We need coverage for Clubhouse and grounds when board members are on vacation. This involves checking the clubhouse and grounds in general, stocking the restrooms and making sure no chairs are in the pool. Please contact any board member if you would be willing to help.
- Keith Robertson will be updating our website adding Neighborhood Watch, an Owners Login page and more.

Real Estate Report – Joanie Reid reported for Chad Kromm

- Three active listings, one pending. Priced from \$425,000 to \$710,000.
- Seven homes closed this fiscal year.

Treasurer Report – John Galati

John reported on the HOA's financial activities. Monthly reports are on the website.

April's financials recorded an opening cash balance of \$49,137 and ending balance of \$54,745.

Income totaled \$14,346 and included \$12,530 in dues and \$1,200 for home sale. Expenses totaled \$6,215 resulting in a net gain for April of \$8,131. The Capital reserve balance was \$32,274 which included the \$1200 home sale. The loan balance is \$21,356 at the end of April.

The Board discussed options regarding our cash flow shortfall for needed capital expenditures. We have major expenditures such as pool repair, new gates, a security system for the clubhouse and grounds along with other lesser expenditures. All while maintaining a cash reserve for any unexpected expenditures. Our HOA has had only one 10% increase in dues in at least the last 15

years which has in part contributed to our current need to find solutions to fund these capital expenditures.

Options put forward and discussed:

1. Refinance our current loan for \$75,000.
2. Special Assessment for \$347.00

The Board invited the homeowners in attendance to discuss the options put forward before a vote was taken.

John Galati made a motion to refinance our current loan for \$75,000.00. Tammy Vogel seconded the motion. A vote was then taken with four in favor of the motion and three opposed. The motion passed.

The possibility of a special assessment was then discussed and it was decided to wait until we have more information as to what the final cost of all current capital expenditures would be and if they will be over and above the loan amount needed. To be discussed at a future board meeting. At the June meeting we will be sharing the information that has been gathered regarding the cost needed for repairs and updates with the homeowners.

Please see attached to the minutes a handout that our Treasurer, John Galati passed out to those who attended the board meeting. This handout further explains in depth our financial/funding situation.

Jennie adjourned the meeting at 7:25 P.M.

Submitted by: Jean Tyseling

VM April 2023 Financial Report

April's financials recorded an opening checking account cash balance of \$49,137. Income totaled \$14,346 (included \$12,530 in dues and \$1200 home sale). To date received \$58,730 in dues from 89 owners or 62%. For April, expenses totaled \$6,215 resulting in a net gain for April of \$8,131. The ending checking account balance was \$54,745.

The capital reserves balance was \$32,274 (included the \$1200 in home sale).

The principal loan balance was \$21356 at the end of April.

Following our annual meeting we have discussed our ongoing repair/maintenance needs consistent with the 2021 capital reserve study. The total over the next three years was about \$50,000.

Estimated/rounded Expenses Totaled \$173,319

▪ General Operational Expenses	\$78,131
▪ Loan Payment	\$16,832
▪ Estimated Capital Projects	\$50,000
▪ Capital Reserve Contribution	
To Bring Us to \$40,000	\$ 8,000
▪ Current Loan Payoff	<u>\$19,900 as of 5/13/23</u>
Total:	\$173,319

Funding Options to Cover Total Annual Expenses: There are really two.

- Dues Increase From \$660 to \$1,210. Not feasible at this time.
- Special Assessment of \$544 with current annual dues of \$95,040.
- Loan Refinance for at Least \$75,000 that applies \$50,000 to projects; \$19,900 for current loan payoff and \$5,100 to fund reserve account.
The goal has been to maintain a minimum of \$40,000 in the reserve fund. Depending on timing the figures will change for the pay off and reserve funding. This option is budget neutral, maintains close to the current loan payment amount for the new 5-year loan schedule with minimal impact on owners. There is no penalty for additional principle payments or early loan payoff.

The current loan originated in September, 2019. —

Loan amount was for \$75,000. Interest rate was 4.5%. Monthly payments are \$1,402.65 (principle and interest).

New loan refinance for \$75,000. Interest rate at 5.75%. Monthly payments would be \$1,441.26 (principle and interest)

On a \$75,000 new loan we would pay an additional \$38.61 ($1441.26 - 1402.65 = 38.61$) in monthly payments ($38.61 \times 60 \text{ months} = 2316$ divided by 144 = 16.08/home owner.

The rate today is 5.5%. I used 5.75% in case the rate increases. If we proceed quickly, we could still obtain the 5.5% that would equate to a monthly payment of \$1,432.59. (\$29.94 more per month). The cost to the bank for the loan is \$500.

The Board has the authority to approve repairs and maintenance to Resort Park Association, Inc subject to any individual project up to \$75k and total for any fiscal year up to \$125k.

With the special assessment approach current loan payments would continue until August 2024. The \$50,000 amount equates to \$347/owner. Actuals project costs could be higher. Special assessment funds capital projects yet does nothing for loan payoff or capital reserve contribution. 2-3 months for owner vote plus no assurance of passage

Refinance addresses loan pay off, funding for capital projects and contribution to capital reserve fund. Immediate

Timing remains a critical factor, I have taken your comments into consideration along with my analysis of our current and future fiscal affairs.

As the Treasurer of the Board, I am recommending to the Board that we refinance our current loan in the amount of \$75,000 for a 5-year period with a current interest rate of 5.5% to 5.75% (subject to change) to place us in a better financial position to meet current operations, support needed capital projects and establish an adequate reserve fund for the future consistent with the 2021 reserve study report.