

**Villa Monterey IV – Resort Park Association**  
**Special Board Meeting Minutes**  
**January 15, 2024**  
**1:00 P.M.**

Meeting held at the Clubhouse and Zoom

**Board Members Present**

Erynn Crowley, President  
Brett Wilson, Vice President  
John Galati, Treasurer  
Jean Tyseling, Secretary  
Tammy Vogel, Social Director-Zoom  
Debra Lentz, Real Estate Director  
Mike Flamini, Facility Management Director  
Bob Kirch, Member at Large

**Members Absent:**

Liz Boyle, Architectural Review Committee Chair

**Call to Order** –Erynn Crowley called the meeting to order at 1:00 P.M.

**Status and Projections on Operating and Capital Budgets/Expenditures – John Galati**

An overview of the Operating and Capital Budget and Expenditures was provided with summary fact sheets and detailed spreadsheets. Trend data, current budget information, projections and alternative budget funding options were provided for consideration. See attached for specifics. The information is also available on the HOA website.

**Discussion on Budget Issues, Cash Flow and Expenditures -Board and Property Owners in Attendance**

Following the budget overview the Board and property owners in attendance discussed budget issues and funding options. Some of the factors considered/topics discussed included:

- Need an adequate cashflow to maintain HOA facilities and protect valuable assets (Clubhouse, Pool, Spa, Grounds which support our rising home values)
- Current cashflow allowed the HOA to break even in 2023 only when supplemented with volunteer hours and donations worth over \$10,000
- The HOA saves an approximate \$10,000 to \$20,000 per year by using an all-volunteer self-managed board rather than hiring a professional management company
- Expenses for utilities, liability insurance, taxes, maintenance, annual contribution to VM Community entrance, supplies, tax preparation, technology /equipment continue to increase
- Need to keep several funded capital improvement projects on track - security gates, shade pergola, etc
- Other potential major repairs are on the horizon - pool, clubhouse HVAC, roof
- Recent inflation rates of between 2.5% and 3% are anticipated to continue
- HOA has only had one rate increase (10%) since 2014
- May need to update to the capital reserve study soon (recommended every 3-6 years). The last one was performed in June 2021, cost was \$1,500
- The feasibility of paying off the loan early
- Pros and cons of modifying the HOA fiscal year to start in January to address cashflow issues

**Next Steps**

The Board approved a 10% increase in dues for the fiscal year 2024-2025, bringing the annual assessment to \$726.

The Board will send out a Community Bulletin summarizing the meeting and results prior to sending out annual assessment invoices.

**Adjourn**

Meeting adjourned at 2:15 P.M.

**January HOA Meeting – Topics discussed regarding a potential dues increase**

- Budget and cash flow summary 2024-2025 with no increase
- Budget and cash flow summary 2024-2025 with 5% increase
- Budget and cash flow summary 2023-2025 with 10% increase
- Current master budget cash flow to date July 2023 - June 2024

Year		Ending Checking Balance	Ending Reserve Balance	Total Balance	Income	Expense	Bank Loan	
							Principal	Net
07/23-06/24	<b>Current</b>	74,305	57,557	131,667	131,862	150,222	13,368	(20,923)
07/24-06/25	0%	74,508	53,014	127,525	105,113	95,306	14,143	(4,336)
	5%	79,260	53,281	132,541	110,129	95,306	14,143	680
	10%	84,012	53,545	137,557	115,145	95,306	14,143	5,696

- 2014 dues increased from \$500 to 600
- 2023 dues increased from \$600 to 660

Last year dues were mailed by 2/1/23 and \$26,400 was received in February in response to request for early payment. Monthly losses average \$8,000 to \$12,000/mo. Without early payment we may need to modify the budget thru year-end.

**Comparative Dues Assessments – Villa Monterey Units**

VM 1	\$ 874	VM 6	\$ 510	
VM 2	\$ 635	VM 7	\$ 550	
VM 3	\$ 590	VM 8	\$ 1,000	
VM 4	\$ 660	VM 9	\$ 2,460	(Lots 1 - 36 & 39)
VM 5	\$ 650			

Average for VM 1 thru 7 = \$ 638

Average for VM 2 thru 7 = \$ 599

**Assumptions:**

- 3% expense inflation escalator 2024/2025
- Projected 2 vs.3 home sales for the remainder of the year
- Split capital expenditures between fiscal calendar years vs. calendar years

**Capital Expenditures:**

Total capital expenditures for 2023/2024 are projected to be **\$43,029** with **\$23,529** spent to date leaving a balance of **\$19,500**.

Remaining capital projects to be completed by 06/30/2024 include:

- Keycard Security System \$8,200
- Entry Gate Replacement \$4,200
- Pergola \$3,200
- Repairs to pool coating \$3,000
- Unanticipated cap expenses \$1,500

**Total remaining 2023/2024 projects      \$20,100**

Total capital expenditures for 2024/2025 are projected to be **\$10,000**.

Capital projects to be completed in 2024/2025 include:

• Repairs to Ramada Roof	\$2,078 (Per Capital Reserve Study)
• 2 each pool/spa pump/motors	\$2,800 (Per Capital Reserve Study) (See Notes)
• Misc expenses (TBD)	<u>\$5,000</u>
<b>Total 2024/2025 projected projects</b>	<b>\$9,878</b>

**Notes regarding 2024/2025 and beyond:**

1. Reserve study had recommended a pool heater replacement at a cost of **\$3,673**. However, pool heater was replaced on 11/08/2021 (after reserve study was completed) at an actual cost of **\$5,819**.
2. Reserve study recommended replacement of pool and spa pumps and motors at a cost of **\$4,301**. However, the pool motor was replaced and pump rebuilt in 11/2023 at a cost of **\$1,036**. There are a total of 3 pumps/motors. Estimating **\$2,800** to replace/rebuilt remaining two in 2024/2025.
3. Reserve study recommended replacement of bathroom hot water heater at a cost of **\$1,000**. However, heater was replaced in 5/2023 at a cost of **\$814**.
4. Reserve study recommended replacement of hot water heater in kitchen. It is believed that the heater will last another 4 or 5 years.
5. Misc expenses would include items that were originally planned for 2023/2024, but are now moved to 2024/2025 such as repairs to office heater HVAC, replace office window, doggy kiosk, etc.
6. FYI...looking ahead to 2025/2026, 2026/2027, and 2027/2028, the reserve study projects **\$21,118** in total capital expenditures over this three-year period.
7. Recommend consider obtaining an update to the capital reserve study performed in June 2021(cost was \$1500).