



Villa Caballeros Homeowners Association
255 South Avenida Caballeros | Palm Springs, CA 92262
Board Meeting Minutes

Meeting Type

Zoom Virtual Meeting

Date

November 18, 2024

Attendance

Board Members

Board Member	Position	Status
Brian Earp (BE)	President	Present
Michael DeLauzon (MDL)	Vice President	Present
Mark Davis (MD)	Treasurer	Present
Rodger VanHyfte (RH)	Secretary	Present
Michael Fitzgerald (MF)	Director at Large	Present

Management	Cindy Anderson	Recorder
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Attendance

Homeowners

Homeowner(s)	Unit	Homeowner(s)	Unit
Bernal	319	Burk	202
Peskind	113	Sealy	313
Bluhm	117	Copeland	207
Ravenstahl	118	Le Francois	309
Killion	112	Morgan	110
Unidentified ¹	N/A		

I.	Call to Order	Meeting called to order at 10:03 AM
II.	Approval of Minutes	Board of Director Meeting Minutes for September 30, 2024 <ul style="list-style-type: none">• Motion to authorize: MD• The motion was seconded by: MDL• Ayes: 5/5 board members
III.	Treasurer's Report	October YTD financial summary <ul style="list-style-type: none">• Budget year-to-date has positive variance of \$2,835; Board and management will control spending with the goal of ending 2024 at budget target• Reserve funds are projected to end 2024 at 14%• We anticipate ending the year with a reserve funds increase of approximately \$40,000 over 2023.
IV.	Reserve Study (2024)	<ul style="list-style-type: none">• A Level II Reserve Study was completed in November 2024 by SCT Reserve Consultants.• Spending projection modifications were made by MD and a final version of the reserve study was received on November 15.• Replacement costs for VCHOA infrastructure estimated at \$2,572,249

¹ One participant identified only by mobile phone number. In the future all participants will be identified prior to meeting initiation.



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		<ul style="list-style-type: none"> ● Reserve study in 2023 replacement costs were estimated at \$2,238,526 ● SCT Reserves recommends allocation of \$129,050 for reserve funding in 2025 annual budget to meet current and future needs. ● Reserve study review and vote for authorization of allocations to be taken during budget discussion
V.	Budget	<p>2025 Proposed Budget:</p> <p>Link- 2025 Proposed Budget</p> <ul style="list-style-type: none"> ● Presentation made by BE of the proposed 2025 budget. ● 5-year lookback to provide historical context on spending deficits that had negative impacts on 2023, 2024. ● 2020-2023 budget challenges shared: unbudgeted legal fees (\$26,000) and under-budgeted earthquake (EQ) insurance premiums (\$28,000) ● 2020-2023 reserve fund spending summarized: <ul style="list-style-type: none"> o \$388,000 reserve funds spent o \$365,000 collected from HOA dues o Negative variance of (\$23,000); reduced reserves over 4-year period ● Expenses will increase by \$25,735 over 2024 (11%). Itemized list (highest to lowest) of expense increases reviewed. ● Board shared that there are few discretionary line items to cut. ● Board shared that EQ premium for 2025 will not be received until December and that discussions on the EQ premium impact on 2025 budget will be had at December board meeting. The discussion will happen if the proposal is delivered by the agent on time. <p>Reserve study review & recommendation:</p> <ul style="list-style-type: none"> ● A motion to document the annual reserve review and to accept the reserve allocation recommendation of \$129,050 in 2025 was made by MD ● The motion was seconded by MDL ● Ayes: 5/5 board members <p>Reserve Loan Earthquake Insurance</p> <ul style="list-style-type: none"> ● A reserve Loan of \$61,339 was undertaken at close of 2023 to manage the EQ premium payment at the beginning of 2024. Pay back schedule of \$5,572.19 per month established. Loan will be fully paid off at end of November 2024. ● VCHOA will not have the estimated \$60,000 needed to pay for the EQ premium² at the start of January 2025. Homeowners voted in July (see Board Minutes July 2024) to continue EQ insurance for 2025 with a cap not to exceed \$60,000. ● A motion was made by MD to authorize a reserve loan to manage the EQ premium with a repayment schedule for 2025 (premium not to exceed homeowner vote established cap). ● The motion was seconded by RH

² Amount pending delivery by agent Labarre/Oksnee in December. To be reviewed at December board meeting if available



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	<ul style="list-style-type: none">● Ayes: 5/5 board members <p>Reserve Loan of \$19,020 for Operating Funds</p> <ul style="list-style-type: none">● At the end of 2023, VCHOA experienced an end of year deficit of \$36,320. The deficit resulted from:<ul style="list-style-type: none">○ Budget prepared by the board in <u>2022 for 2023</u> did not accommodate the increase in the EQ premium of \$22,000 over previous year. Budget was approved at the EQ premium for the prior year.○ Tree trimming spend at year-end exceeded available budget by \$8,990● Operating funds at the end of 2023 were \$6,383. End of year operating funds that are used to pay bills in the following year historically ranged from \$26,000 to \$30,000.³● Insufficient funds were available to pay bills starting in January 2024● On advice of CAFS, a \$19,020 reserve loan was taken to increase the operating fund to facilitate the payment of bills in January 2024. The financial situation was described in the Annual President's letter to HOA members at the annual meeting in January 2024.● A review of year-end 2024 predicted operating funds was given, including the obligation to repay the \$19,020 loan. The board decided to issue a special assessment to retire the reserve loan within the obliged period.● A motion to authorize a special assessment of 5% of the annual budget (\$18,408 or \$312 by homeowner) in December 2024 was made by MD.● The motion was seconded by MLD● Ayes: 5/5 board members <p>2025 Budget Numbers</p> <ul style="list-style-type: none">● VCHOA is required to provide homeowners with a proposed budget for 2025 by the end of November 2024.● The breakdown of the proposed 2025 budget was shared.● In the new year, there will be an increase of 11% in operating expenses and an increase of 7% in reserve funding allocations (see reserve study section IV).● The net impact to homeowners is an increase in monthly HOA dues of \$577. This represents an 11% increase over 2024 dues of \$520.● A motion to accept the proposed budget and HOA dues, based on the latest budget estimates, was made by MD.● The motion was seconded by MF● Ayes: 5/5 board members
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³ For years 2020-2023



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VI.	Committee Topics	<p>Architectural & Landscape</p> <ul style="list-style-type: none">Architectural and landscape committee reviewed needs for tree trimming and landscape maintenance in October. Actions to be discussed in New Business <p>Communication Committee</p> <ul style="list-style-type: none">No new updates from the communication committeeNew website (authorized in September board meeting) is planned for implementation in 2025. Updates will be given at that time.
VII.	New Business	<p>Elevated walkway remediation</p> <ul style="list-style-type: none">Elevated walkway remediation will be completed by last week of November. Funding for project was approved from reserve funding at the July and September board meetings. <p>Garage & tennis court leak</p> <ul style="list-style-type: none">A proposal from Goss Construction with estimates representing a range of solutions will be presented at the December board meeting <p>Landscaping</p> <ul style="list-style-type: none">A presentation was made on estimates from Prime Land Care to address tree trimming, dead tree removal, and salvaging trees impacted by extreme summer weather and gophers. Current financial accounts (and budget allocation) are not sufficient to trim the 77 non-palm trees of VCHOA. A walkthrough was conducted in November to identify the trees that need trimming, require removal, and that can be salvaged. The estimates were:<ul style="list-style-type: none">\$2,025 to trim 15 of the 77 trees in need (paid for from operating funds)\$1,800 to remove 3 dead Ficus trees (paid for from reserve funds)\$1,350 to salvage 10 large trees damaged by extreme heat and gophers (paid for from reserve funds)A motion was made to authorize the expenditures against the designated funds by MDLThe motion was seconded by MDAyes: 5/5 board members <p>Roofing</p> <ul style="list-style-type: none">Annual roof maintenance was not conducted in 2024 due to the acquisition of our primary vendor (Western Pacific Roofing) and subsequent notice of their decision to cease residential work.A presentation of 3 proposals from Peak Roof Management, RB Roofing and Desert Roof Concepts were shared. Each vendor inspected the roofs of VCHOA and provided estimates for annual maintenance, necessary repairs and future coating/roof replacement.⁴

⁴ Bidders provided estimates for future needs based on cost today. Each bid was clear that those estimates were subject to usual and customary increases in the year the services are requested.



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		<ul style="list-style-type: none">● Desert Roof Concepts did not provide an estimate until after the decision meeting was held and were excluded from bid consideration.● The estimate/proposal from RB roofing was the most thorough and cost effective.● The proposal included:<ul style="list-style-type: none">o \$5,500 for annual maintenance activitieso \$8,500 in necessary repairs supported by 85 photographs provided in their estimate.● A motion to authorize the selection of RB Roofing for annual maintenance of \$5,500 (from operating funds) and \$8,500 for immediate repairs (from reserve funds) was made by MD● The motion was seconded by MDL● Ayes: 5/5 board members● During the roof inspections, several satellite installations and air conditioning electrical boxes were identified in need of repair.● The board notified homeowners with satellite installations on the roof that required attention and/or have sustained damage to the roof. RB Roofing will provide additional photographs of satellites that need to be addressed or require further attention. Homeowners will be contacted in due course.● The board has notified homeowners who have damaged/unsafe air conditioning electrical boxes that power their respective condensers. Further notifications are pending roof repairs.
VIII.	Correspondence	None
IX.	Homeowner Open Forum	General questions and answers regarding budget, satellites and notifications
X.	Meeting Adjourned	11:01 AM
XI.	Next Meeting	December 16, 2024, at 10:00 AM