



**Oak Ranch Estates Home Owners Association
Supplemental Information from Board Meeting of
July 20, 2023
Approved September 26, 2023**

Open Discussion: None

Committee Reports:

Architectural: No new applications were submitted.

Common Area: See Maintenance below.

Corral Area: Carol T. has equestrian friends visiting August 3-5 to ride in the Santa Barbara Fiesta parade and would like them to stay in 4 of the vacant stalls. They will park 2-3 trailers on Ridgeline and will take away their own manure as we have no room for that in our barrel. Carol will collect a minimal fee from them to use our space and these funds will be used to purchase new hoses for the corral area.

Website: No report. The approved May 17 Minutes & Supplemental will be posted to the website.

General Business:

1. Common area maintenance: Once a month Kathie K waters plants in the corral area and has finished cutting dead branches out of an acacia plant. She and Pat trimmed acacia around the monument sign on Sunset, trimmed low hanging oak and willow tree branches over the trails up from Sunset, and cut back tall weeds close to the trail up from Sunset that sprouted since CREW came through. On June 29 a tree limb went down near Ridgeline; Kevin K and his son cut it back for trail access. An oak tree on one owner's property on Sunset died and tipped over onto our trails near the monument sign and needs to be cut back before Jorge of Corona Tree Service comes on July 28th to do assorted tree trimming, haul and chip portions of the fallen tree down from Ridgeline, trim overhanging oak tree branches on Sunset and Ridgeline, and cut low oak tree branches on the trail up from Sunset. Anticipated cost of his work is \$800.

Corral area maintenance: Corral Chair Carol T. reported that the arena has weeds that she has been removing and it needs to be dragged. She helped Kathie deal with dead acacia branches, cleaned and prepared 4 stalls in preparation for early August "visitors" and reported there is no water in the middle and right stall. Kathie noted water can be turned on as repairs were made some months ago.

2. Reserve items: Nothing to report. The Board will continue to address repairs as needed.

3. Update/Revise CC&Rs and Bylaws: Pat and Kathie met several times after Robert Long provided a draft of the new CC&Rs document and made several proposed changes. They also began updating the Bylaws based on his previous comments and a new Rules document that pulls out the rules from the CC&Rs. We approved these drafts and sent them to him for review. He is not able to review our comments until September. In the interim the Board will send out new Rules for owner review.

4. CPA Annual Compilation. Joyce Jimenez, CPA indicated that she would not be able to use the financial reports we have as she must have the data in a certain format (general ledger) and what we have would not work; she also cannot prepare the needed reports from raw data as she needs to stay as a neutral party. Therefore, we must wait for Concord to prepare the long overdue reports.

5. Update on 2024 (Financial Only) Reserve Study by J.D. Brooks. The Board received a draft report for review. Based on our current contribution of \$120 per month plus earned interest of about \$20/month, our Reserve account will be funded at 70% by year-end 2023. JD's recommendation for 2024 is to pay a minimum of \$296 per month or \$3,552/year. The line items that have a few years remaining before repair or replacement include arena sand, gravel paving, signs and electrical and plumbing repairs and are all fairly inexpensive items. We do not anticipate any Reserve spending for 2023 and will likely have no Reserve spending for 2024, so we may again contribute less than he recommends to keep any assessment increase down. Kathie recommended that we approve his report so he can prepare his final Report document that we will review at the September Board meeting.
6. CCAS Issues. We continue to work with Concord to resolve outstanding issues. There were several homeowners who requested new coupon books which the Association paid for this year. Concord informed the Board that in order to bill the member the Board must vote to do so (the Association would still pay the invoice and request the fee be added to the homeowner's bill). The Board will also explore alternate methods of billing for assessments next year.
7. Annual Meeting. On June 23 Pat emailed most homeowners regarding the upcoming Election Timeline for Board of Director nominations for this year and will follow up with a second mailing before August 8. Concord will mail information to the four homeowners who have not provided email addresses. A secret ballot election is not required if only three owners submit nomination forms; the Board can instead be elected by acclamation. The current Board encourages those interested in serving our community to submit a nomination form. There will be a ballot to vote on the excess income rollover to avoid paying taxes.
8. 2024 Budget. Kathie prepared a draft of the budget based on her detailed reports. Information is in item #4 under Financial Business below.
9. Request from Saddle Mountain. A Saddle Mountain HOA member and their Safety Coordinator have reached out to our Board to consider joining them and another local HOA to become a "Firewise Community". One possible benefit of this effort might be better homeowner insurance rates, another is improving our chances of our properties surviving a wildfire. They provided on-line information and the head of their Safety Committee attended our meeting today to provide additional details about the free program. The focus is on wildfire preparedness, including tips for vegetation management, fire resistive construction and emergency preparedness. There are requirements for becoming a Firewise Community including assessment of the area, an action plan and required volunteer hours each year. A presentation by a representative from the County Fire Safe Council is also encouraged. The Board would like to have one or more homeowners volunteer to head this effort up.
10. CC&R Violations: Work is complete on one lot as dirt and rocks were removed from the front of the property, and the dirt at the back of the property next to the ORE fence was re-graded, pulled back from the fence, and covered with straw. A dead oak tree on this property has now fallen across the front fence onto common area property and is blocking access to the trail. Efforts are under way to clear the trail and remove the downed tree. Another property has two dead trees that need to be removed and the owners will be notified that they are not in compliance with CC&Rs that address landscape maintenance.

Financial Business:

1. **Treasurer's Report:** Based on her record keeping Kathie reported that as of June 30 we are in good shape in all categories, except Legal and Common Area Maintenance, including weed abatement where expenses exceed the yearly budget. We are close to budget for tree maintenance. We are paying more than we should to send out duplicate payment coupon books to owners. (As noted above, the Board voted to require owners pay for lost books if they do not wish to set up payment through their bank which eliminates the need for coupons. Per Concord, although 18 owners pay assessments on-line thru their bank, 21 owners still write a paper check to send with the coupon to our bank. In Kathie's review of checks and payments, she noted a \$20 late fee for the insurance premium that was due to Concord's error in not processing the invoice in time. The \$20 will be credited to our Supplemental Expenses bills from Concord. Looking at income, January thru June 2023 we have received \$20,863.20 of income, which includes a small amount of interest. The aged owner balance shows there are 6 owners who have not paid second quarter assessments. Concord will be directed to send them statements that include a \$5 late charge plus accrued interest now due.
2. **Bank Statements.** No discrepancies in either May or June statements. Balances for May 31 Operating \$29,908.29; Reserve \$33,079.70. Operating income of \$1,487; expenses of \$920. Balances for June 30 Operating \$16,514.07; Reserve \$33,221.51. Operating income of \$2,396; expenses of \$15,720. One small check has not yet cleared and the \$4,305 check to the lawyer is not reflected in the balance. Due to the large weed abatement expense the Operating balance is low but we will get an infusion of cash from third quarter payments in July.
3. **Financial Reports.** Kathie contacted Kaila at Concord again about the financial reports that we need to track our income and expenses. As noted above, our CPA, Joyce Jimenez, also needs these reports to prepare the financial compilation. Kaila hoped to get something to us by this meeting (the September 2022 report arrived this morning). Because we have no reports from Concord, Kathie prepared a report showing our year-to-date expenditures vs. budget as of June 30; this report will be posted to the website.
4. **2024 Budget.** We predict that for year ending 2023 we will be over budget by about \$9,000 (28%). This will reduce our Operating account balance. We cannot sustain such an over-expenditure next year so budget numbers and assessments will need to increase but hopefully by no more than 10%. Inflation has slowed so some line items will be unchanged, some items reduced and several increased by 3% over either (1) the 2023 budget or (2) the 2023 line item expenses (legal, insurance, reserve study and Harrison charges). In 2024 we will have Website expenses to renew our domain name and extend our WIX website support. Expenses for weed abatement jumped considerably this year and the new budget would ideally reflect that larger number as we anticipate another heavy rain season. Contributing less than recommended to the Reserve fund is another way to keep the increase down. If we contribute \$120 per month the annual shortfall will be \$2,112, although interest income will add approximately \$240; next year's report will likely show we are less than 70% funded. Corral expenses are minimal with only one horse so fees for stall and shed rental are likely to remain the same, \$150 per quarter for one stall & one shed.

Respectfully submitted,

OREHOA Board of Directors