



Oak Ranch Estates Home Owners Association
Supplemental Information from Board Meeting of July 16, 2024
APPROVED September 17, 2024

Open Discussion:

Wildlife—bears have been spotted on the Saddle Mountain portion of the trail near our horse corrals and some residents have seen coyotes in our area. Use caution when walking in the early morning and before sunset. Graffiti—we recently had a homeowner who saw two boys deface a cement wall and several trees on our trail near the Almond Avenue entrance. We believe that these boys are not living in Oak Ranch Estates and the parents will be approached if we can find where they live.

Committee Reports:

Architectural: No applications received

Common Area and Corral Area: See Maintenance below.

Website: Goggle reported 63 interactions on the website in May and 79 in June. The new layout makes it easier for the Website Chair to post information.

Firewise Community: The members of this Committee, residents of both ORE and Saddle Mountain, are pleased that we have received the designation of Firewise Community. Signs signifying this designation will be posted in both communities in the near future and additional information will be forthcoming via emails from the Association secretary, on our website, and on a dedicated website.

General Business:

1. Common Area and Corral Area Maintenance. With warm weather Kathie has started watering plants in the corral area. Repair of a sewer lateral line at the fence between our corral area and a Saddle Mountain home was performed June 9 by the utility company, though a portion of pipe appears to be above ground. The ORE Board president will follow up with the acting manager of the Ojai Valley Sanitary District regarding the pipe. The invoice from CREW for fire prevention weed abatement was received in June; the cost of \$9,571.96 is less than budgeted. Kevin L. continues to work on weed abatement along the streets and up in the corral area. He also has trimmed back overhanging oak tree branches as well as acacia branches along the corral driveway, and both he and his son will soon repaint the metal corral fencing and gate.
4. Legal Issues. The Board will again be reviewing the updated CC&Rs and Bylaws prior to review by our new attorney. The Board hopes to send these documents out in the next few months for homeowner review. The issue with Lot 40 was resolved in June. An exclusive use easement of .38 acre of common area (Lot 41) was granted to the owner of Lot 40 and the agreement was recorded with the County of Ventura on June 7. Invoices from both R. Long and J. Perero for legal services total over \$11,000. We are as dismayed by the high cost to negotiate and prepare the easement as all of our owners must be. This is an expense we did not need to have. It is unfortunate that the owner of Lot 40 did not advise the Board of the survey she had performed in June 2020 that showed the actual property line location was west of the fence that had been the assumed property line. The Board only learned about the issue on January 5, 2024 from a prospective buyer who requested resolution in two weeks. Had the Board been aware of that discrepancy in 2020 it would have been a straightforward matter to grant an easement for that small portion of the pool and decking erroneously placed on common area by a previous owner and the costs of addressing it would have been much less. With the matter settled back then, large quantities of soil from unknown sources would not have been dumped on the ORE common area in early 2021 and the property would have been much easier to sell in 2023 without the cloud of a property line discrepancy.

5. CPA Annual Compilation. Ms. Jimenez was able to complete the 2023 report and recently sent it for the Board's review. As our treasurer tracks our expenses on her reports based on paid amounts and the management company tracks on accrual amounts the reports do not match but the difference was minimal. The final report will be sent to homeowners who on June 1 received the 2022 Report. Both reports will be posted on the website.
6. Concord Consulting. Assistance was requested for information regarding the Corporate Transparency Act documents. Also, Concord informed the Board that a homeowner overpaid their assessments for several months and we must now reimburse the owner.
7. Reserve Study. The financial only Reserve Study was prepared by JD Brooks. The Board was pleased to see that the cost of the report preparation was as budgeted. He recommended that our monthly contribution to this fund be increased; this will be considered when the Board reviews a draft 2025 budget in September.
8. Board Elections. As the Annual Association meeting is November 12, 2024 the Board reached out to a homeowner who agreed to volunteer as the Election Inspector at this meeting should a secret ballot election of 3 Board members be needed. (Election by acclamation is allowed if only 3 owners have submitted nomination forms). Homeowners interested in serving on the Board must submit nomination forms by August 15.
9. Board Operations Manual. Begin creation of a manual to help future boards. Start with list of topics to discuss at each meeting and then go into detail, plus responsibility of each officer, taking minutes/supplemental, communicating with owners, reserve study, preparing budget, election timelines, modifying rules, time schedule for updating CC&Rs/Bylaws, rules enforcement, referring to the Davis-Stirling Act. Davis-Stirling Index item "Board of Directors" has a list of all the obligations and rules governing actions of directors and officers and includes pitfalls to avoid.
10. CC&R Violations. Discussion that maintenance of some properties could be improved and that one section of sidewalk is slippery due to fallen leaf litter and sap.

Financial Business:

1. Bank statements for May and June. Balances for May 31, 2024 - Operating \$27,207.30; Reserve \$27,784.29. Operating income of \$1,438; expenses of \$4,394. Reserve income of \$139, expenses of \$2,900. The only discrepancy is that \$2,900 for tree maintenance was charged against Reserves not Operating. Concord has made the corrections. Balances for June 30, 2024 - Operating \$10,807.35; Reserve \$30,822.86. Operating income of \$3,500; expenses of \$19,900. No discrepancies although the check to Steve Reich Insurance has not cleared. The operating account is the lowest it has been in years due to large legal and insurance expenses.
2. Financial reports. May was correct as provided and June had a minor correction needed.
3. Treasurer's report. A review of budget vs. actual expense spread sheet as of June 30 (end of second quarter) shows an operating expenditure of \$39,454 which exceeds our annual budget of just over \$36,000. We are on track in many expense categories but exceed budget in several others, specifically: under legal we already exceed our annual budget by over \$9,000; insurance renewal exceeds budget by \$3,386; website renewal exceeds budget by almost \$100, although the payment this year covers services for 2 years so we will not have the expense next year. Our reserve expense to date is \$4,100 and we do not expect any more expenses. Kathie prepared a report showing budget vs. actual expenses for first quarter of 2024 that has been posted on the website; however a few errors were discovered so a revised report will be posted, along with the report thru June 30. It was discovered that one owner had overpaid assessments and he will be issued a refund of \$2,433.60.
4. 2025 Budget. Due to the uncertain insurance situation in California, including some companies asking to increase premiums by 34%, the budget for liability and directors/officers insurance will need to be significantly increased for 2025. Due to the low amount in our Reserve fund, as we have contributed less than recommended for the past two years, we will need to increase our contribution for 2025 or our account balance will continue to dwindle. To keep the owner assessment increase down that contribution will most likely not be up to the minimum recommended (\$315/quarter) but something between the current \$120 and \$315. We are hopeful that other line items will only be increased by 3% over 2024 expense. One big unknown is the status of the new Board elected in November and if we will need to contract with Concord to perform more management duties which could bring the monthly services charge from \$750 to \$1,100/month. Owners can anticipate the quarterly assessments for 2025 will be increased and every effort will be made to keep the increase as low as possible while still being financially responsible.

Respectfully submitted, OREHOA Board of Directors