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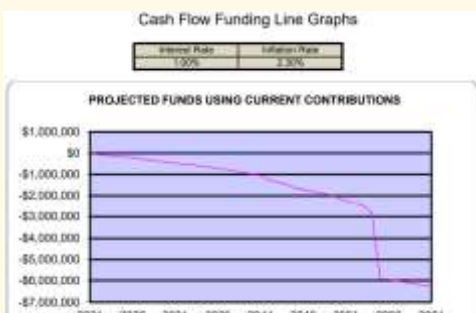


A Quarterly Insight into the Mote Ranch Community

OUR Community

current topics >>>

Reserve Study Analysis



The 2020 Board commissioned Delta Engineering to provide a report on the HOA infrastructure, useful life and replacement cost for each piece of equipment or building feature. It forecasted a shortfall of 6M in 2061 at the current reserve savings pace. Of course without detailed analysis this is theoretical. The 2021 Board realized it needed detailed assessments by subject matter experts for each piece of its infrastructure to accurately determine the future reserve needs and saving rates. Work to determined actual costs will continue through 2021 with the priorities being pool equipment, parking lot, roof, pumps.

Financial Analysis

Financial Controls and Audit

In January 2021, 4 new directors were elected to the 7 Director Boards. As many homeowners know, the 2020 Board overspent its budget, and borrowed \$130,000 to fund non-essential items.

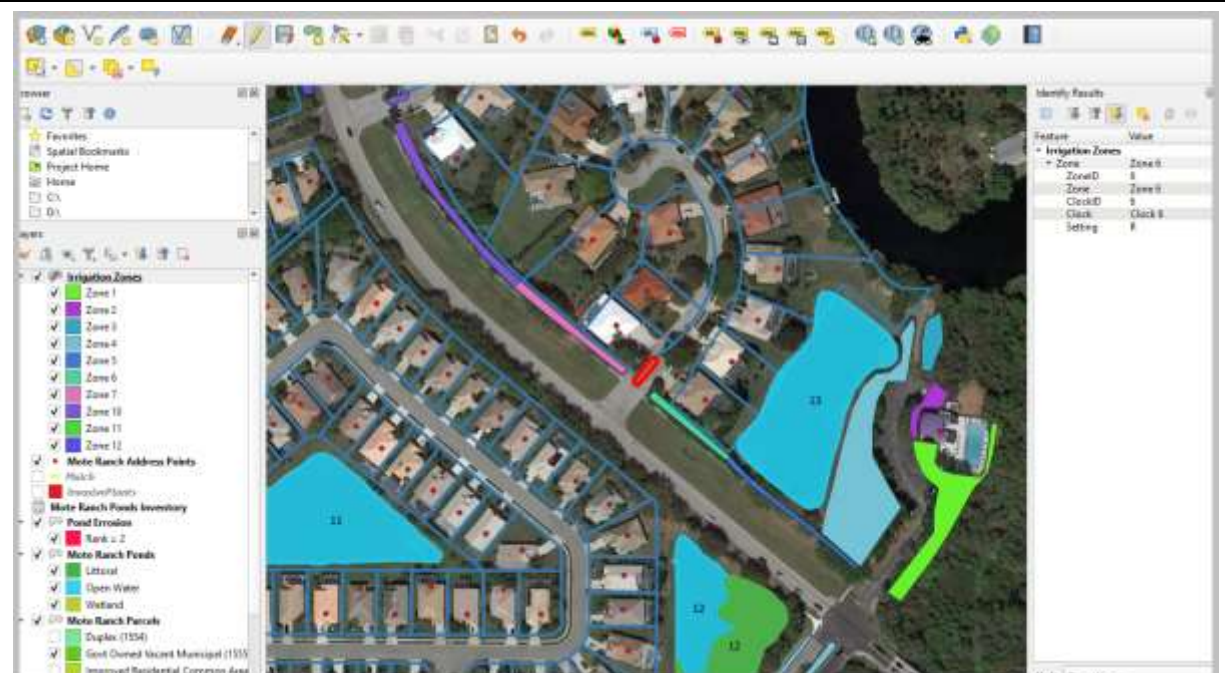
The Challenge for the new board was to assess the HOA financial situation and determined a strategy. Approximately 48k was spent above the budgeted amount leaving a smaller checking account balance. The reported savings or reserve balance was \$21, 132. The \$130,000 loan was deposited into the checking account thus inflating the working capital at the same time deposits for the pool chairs, heater, security system were hurriedly made last year to secure the purchases. These actions caused considerable confusion with accounting as they were left out of the scheme and considerable confusion for the Board as it attempted to unravel and reconcile the position it inherited. The Board swiftly instituted spending

controls and began to learn the HOAs financial position. It established a spending priority, agreed to budget cuts for inflated or low priority budgeted items. Priority 1 was contracts, 2 risk management, 3 maintenance and 4 nice to have. Directors scrutinized contractor spending and saved on mulch without any noticeable impact. Others did site inspections. The Board instituted a maintenance list to document all the fixes needed and prioritized. Any priority 2 issue was quickly dealt with like diseased trees, trip hazards, etc. The pause in spending provided time to learn about the HOA operations and infrastructure. The Board will use Budget surplus to pay down the loan and increase reserve savings

It's your money >>>

An Innovative Management Tool

A tool used by professionals to help manage land infrastructure and activities is called a Geographic Information System (GIS). A GIS is software that allows users to overlay various maps on top of satellite imagery to analysis a location.



Fortunately a member of the Board has GIS experience and has started to implement this tool for the HOA. How does the board use the GIS? Currently the map database is being developed. In the graphic above, the irrigation infrastructure is being added. The irrigation infrastructure is a large system. It comprises 7 wells and pumps, miles of irrigation pipe, valves, countless sprinklers all controlled by 14 timers or 'clocks' as the pros call them. Each clock controls a number of zones. Not unlike your own sprinkler system which may have 4 to 6 zones, an HOA clock may have 12 or more zones. We've all experienced a sprinkler malfunctioning and the HOA is no different except some malfunctions result in water squirting into the streets. In the past, when something like this happened, an emergency call was made to the irrigation contractor who would dispatch a crew to fix the leak or broken sprinkler. As you can imagine emergency repairs can be costly. With the GIS map, if there is sprinkler break and water is squirting out, one only need pull up the map, identify the location of the sprinkler break, click on the map to learn the clock controlling the sprinkler and then a director can quick dash to turn that the clock off. The sprinklers is then fixed during routine sprinkler maintenance or as a non-emergency fix thus saving the HOA the emergency repair cost and unnecessary waste of water while waiting for a repair crew to turn off and fix the sprinkler.

Board Actions for Q1

1. Analyzed the inherited financial situation and agreed to spending cuts and spending prioritization.
2. Implemented the bylaw stipulated dual checking signing authority process to further scrutinize spending and review all invoices for merit.
3. Set a goal to save 50k from the budget to lay down the loan and increase the reserve balance.
4. Change lawyers back to Becker and reviewed options to deal with the 2020 purchases and other HOA matters.
5. Cancelled the pool furniture order
6. Cancelled the security system order

Maintenance Done

1. Water Fall cleaned
2. Various fence and sign lights replaced with LED bulbs
3. Rec Center screen door fixed

14 clocks control over 125 zones which control countless sprinklers.



For more information or to contact the board
<http://www.moteranch.org>