



HOMEOWNERS ASSOCIATION
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May 18, 2023

To Our Fellow Mountain Shadows Homeowners:

In the past year, the city still mandated severe water restrictions. With that being said, we completed Phase 1 & 2 of our new Desert Landscape where we previously only had grass. This new landscape looks great and has greatly reduced our water intake. We have also seen some overdue building repairs completed to replace rotting wood throughout our community. We are starting to shine again!

We continue to be diligent in our efforts to keep our community safe for all. Continued communication with our Security team has made a noticeable difference throughout. With the prior year pool equipment thefts, cars broken into, homes broken into, we have seen a marked decrease in these types of crimes.

We have worked hard this year to control our operating expenses, however, we have seen increases in all utility costs. The added requirement by the city for the organic waste collection added almost \$1000 per month to our expenses and the increase in natural gas caused us to have to make the hard decision to only heat 3 pools this last winter. We are working with a consultant to provide some solutions to help with the water pressure spikes that are plaguing our irrigation system. Also, the board decided to not scalp and reseed last October, saving the cost of seed and the added irrigation to support the new seed. We still have a fairly extensive list of repairs to complete which includes Pavement of Arroyo, Montecito Circle, parking lots, Tennis Court resurfacing, Painting of Buildings, and Irrigation/Desert Landscape. We are including the 5 year Capital Improvement Plan for our community. The next phase of paving is starting June 5.

In order to continue with our needed repairs and improvements, the board spent hours studying and reviewing our Reserve Account balances and our Operating Budget. We dug in deep to determine what our HOA fees should look like to meet current and future expenses. In researching our surrounding 'like' communities we found that the average HOA was \$515-\$550 per month, which ours is much lower than that. We also performed a 5-year projection to plan for the remaining essential repairs that we need to complete. Within that study we were able to decide the appropriate monthly HOA dues that would be required in order to complete these remaining repairs and updates. We have had our Annual Reserve study completed by McCaffery Reserve Consulting and it is included in the package for your information. It is showing that our current Reserve accounts are funded at 30% (approximately). In order to stay close to their recommended contribution, we need to increase our HOA monthly fee to an amount of \$450.00 per month.

Have a wonderful summer, and I hope to see everyone in the fall, hopefully at our annual meeting and BBQ.

Randy Sawyer Board President
Lori Eaton Treasurer

Mountain Shadows Homeowners Association
5 Year Capital Improvement/Replacement
Plan April 2023

2022-2023 Budget Year

- Building Repairs \$130,000 (completed)
- Desert Landscape/Irrigation Conv Phase (1 and 2) \$20,000 after rebate (complete)

2023-2024 Budget Year

- Desert Landscape/Irrigation Conv Phase 3 – Continuing Project \$20,000
- Pavement Phase 3 & 6 (3 carport sections) \$214,000
- Building endcaps Approved \$35,000

2024-2025 Budget Year

- Pavement Phase 1&2 (3 carports) \$200,000 Driveway/Pavement
- Desert Landscape/Irrigation Conv Phase 4 \$20,000
- Possible resurfacing of Tennis Courts -\$20,000

2025-2026 Budget Year

- Pavement Project Phase 4 (Arroyo) \$223,000
- Desert Landscape/Irrigation Conv – Phase 5 \$20,000
- Building Painting Phase 1 \$200,000

2026-2027 Budget Year

- Building Painting Phase 2 \$250,000
- Pavement Project Phase 4 \$200,000

2027-2028 Budget Year

- Carport Roofs inspection (54 Car port structures) \$190,000

Notes:

A budget year ends in June of the year indicated above.

All costs are approximate and provided for planning purposes only. This list is subject to modification and update by the Board of Directors.