

Villa Capriani Annual Meeting October 18, 2025



•Agenda

- Call to Order
- Ground Rules
- Welcome and Introductions
- Old Business
- New Business
- Elections
- QA



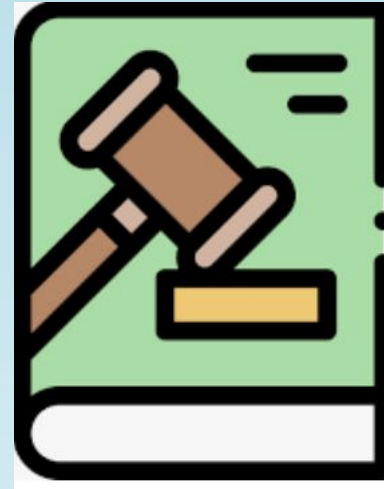
Ground Rules

Participants In Person

- Q & A Session at end of presentation
- Speak when recognized
- Stay on topic; be brief
- No side conversations
- Silence phones

Remote Participants

- Stay muted
- Use chat for all questions/comments
- Keep comments clear and respectful
- Moderator will address chat questions



Welcome and Introductions

CAS

Amy Damone President
Ashley Ford, CMCA, AMS Community Manager

Board of Directors

Rick Coates President
Tony Carpenter Vice President
Mark Faruque Secretary
Jeff Ballard Treasurer
David Samuels Director at Large
Alexander Forsyth Director at Large
Keith Birkholz Director at Large

Harmony Taylor HOA Attorney (Law Firm Carolinas)
Andrew Bateman Insurance Broker, CIC, CIRMS, CMCA (Alera Group)
Will Faircloth John Hackney Agency, Inc.



2024 Annual Meeting Minutes

Vote to approve the 2024 Annual Meeting Minutes

Committee Reports – ARC

Members: Sharon Stepahin, Chris Jones, David Samuels, Keith Birkholtz, Rick Coates

Key Projects and Updates

Elevator Update

- Cavinder selected – more responsive and 50% lower maintenance cost than Schindler
- New door openers installed: Lobby complete; Buildings A & B scheduled for this offseason
- Estimated savings: \$200K on door openers compared to Schindler

Soffits & Eaves

- Soffit work completed late summer
- Eaves scheduled for completion this offseason

Leak Task Force

- Polybutylene issue actively addressed

Committee Reports – Insurance

Members: Jen Fox, John McCarty, David Samuels, Jeff Ballard, Rick Coates

Key Updates and Initiatives

- **Drone Footage** – Demonstrates to the underwriter that the property and roof structures are in excellent condition.
- **Polybutylene Concerns** – Some insurers are discontinuing coverage for properties with aging infrastructure.
- **Proactive Storm Preparation** – Planning an offseason hurricane prep meeting with Mike Messina and the Insurance Committee to review best practices.
- **Flood Insurance Coverage** –
 - 2023: No coverage
 - 2024: \$500K coverage
 - 2025: \$1M coverage
 - Proposal for 2026: Consider increasing by an additional \$500K–\$1M based on mortgage broker feedback indicating current limits may hinder sales and financing.

Committee Reports – Grounds

Members: Jeff Ballard, Paul Middleton, Stephanie Ballard, Lucy Kessler

The largest single expense for the grounds this year, besides the landscaping contract, was the addition of white river rock to the breezeways, and some other areas around the pool. The labor was all volunteer. Some of the items are listed below.

Skid Steer -	\$957
Rock -	\$1100
Benches -	\$1600
Artificial Plants -	\$875 (This was the original projection)
Date palms -	\$240
Palm tree removal -	\$250
Lumber for showers/gate -	\$718

There were flowers and bushes planted, Plexi panels replaced (some volunteer labor, thanks Paul), and mulch.

Committee Reports – Finance

2026 Budget

	2025 Budget	2025 Projected	2026 Proposed	Notes
4000 - Assessment Income	982,503.00	982,503	982,503	No Change
4005 - Assessments To Reserves	-150,000.00	-150,000	-150,000	
4007 - Assessments To Insurance	-105,000.00	-105,000	-105,000	Florence rebuild loan
4010 - Late Fees	0.00	2,070	0	We do not budget for late fees
4015 - Late Interest Income	0.00	1,757	0	We want everyone to pay on time
4020 - Interest Income	0.00	489	0	
4035 - Interest Income-Investments	700.00	500	500	
4045 - NSF Fee Income	199.96	260	250	
4055 - Parking Pass/Gate Income	2,000.00	3,500	3,500	
4060 - Restaurant Lease	70,567.00	78,266	80,000	3% increase beginning April 1
4065 - TICAM Income	61,220.00	62,725	62,700	To be recalculated January 1
4075 - Advertising Income	300.00	90	100	

Committee Reports – Finance

2026 Budget

	2025 Budget	2025 Projected	2026 Proposed	Notes
6000 - Landscape - Maintenance Contract	31,000.00	31,000	31,000	
6020 - Landscape - Irrigation Repair	2,000.00	0	2,000	
6040 - Landscape - Tree/Plants-Removal/Trimming/Maint.	5,000.00	9,700	5,000	Addition of the white river rock and two exterior benches outside of the entrance.
6100 - Building - Interior Repairs	8,000.00	19,000	4,000	Poly pipe replacment will reduce expense
6105 - Building - Exterior/Siding Repairs	5,000.00	8,500	6,000	
6110 - Building - Electricla/Lighting	1,500.00	1,800	1,800	
6115 - Inspections	4,120.00	1,750	1,750	Pool & Elevator Inspections
6120 - Elevator - Contract	12,000.00	7,270	6,000	New elevator contract is 1/2 the price of the previous contract
6125 - Elevator - Repair & Maint.	5,000.00	26,000	8,000	Door operators in process of being replaced. Expenses should be reduced once completed

Committee Reports – Finance

2026 Budget

	2025 Budget	2025 Projected	2026 Proposed	Notes
6130 - Pest Extermination	6,000.00	6,000	6,000	
6135 - Termite Inspection/Contract	400.00	400	400	Termite bond
6140 - Gate - Repair & Maint.	4,000.00	5,700	4,000	Over budget due to new beach gate and new locks
6145 - Cleaning - Interior/Exterior	1,000.00	200	8,500	Due for softwash on front of building in 2026
6150 - Fire System - Monitor Contract	350.00	500	500	
6155 - Fire System - Repair & Maint.	8,000.00	20,750	10,000	Over budget due to needing a new compressor & after hours emergency calls
6160 - Onsite Security	13,000.00	13,000	13,000	
6165 - Security System - Monitor Contract	0.00	530	530	
6170 - Security System - Repair & Maint.	500.00	500	500	
6175 - HVAC	4,000.00	3,300	3,500	
6180 - Maintenance - General	17,000.00	15,500	16,000	
6310 - Pool - Repair & Maint.	45,000.00	80,600	81,000	Chlorine alone runs aprox 5k per month.

Committee Reports – Finance

2026 Budget

	2025 Budget	2025 Projected	2026 Proposed	Notes
6320 - Pool - Passes/Supplies/Furniture	2,000.00	4,700	4,000	4 umbrellas & 2 loungers Glass replacement, door repairs, plumbing repairs, electrical repairs
6350 - Restaurant - Expenses	4,999.96	6,700	6,000	
6500 - Electricity	60,000.00	60,215	61,000	
6520 - Water/Sewer	147,000.00	101,000	102,000	
6530 - Telephone	7,000.00	6,000	6,000	
6540 - Trash Collection	33,000.00	30,300	31,000	
6550 - Cable/Internet	80,500.00	81,500	81,500	
7000 - Management Fee	28,320.00	30,000	32,773	
7005 - Onsite Staff	285,000.00	265,000	300,000	
7010 - Administrative Expense	7,200.00	3,200	4,000	
7025 - Professional Fees	1,500.00	800	1,500	
7030 - Tax Prep/Audit	10,000.00	10,000	10,000	
7040 - Legal Expense - Collections	2,000.00	20	2,000	
7045 - Legal Expense - Litigation	3,000.00	9,000	6,000	
7050 - Property Tax	6,500.00	5,125	5,500	
7055 - Permits/License/Fees	1,500.00	500	1,500	
7060 - Depreciation Expense	6,000.00	6,000	6,000	

Committee Reports – Finance

2026 Budget

	2025 Budget	2025 Projected	2026 Proposed	Notes
7065 - Website	3,000.00	3,800	3,000	The ZOOM subscription was dropped and there won't be the KMG website fees any longer
7070 - Meeting Expense	100.00	100	100	
7080 - Office Supplies	1,000.00	1,200	1,200	
Income Accounts Total:			874,553	
Expense Accounts Total:			874,553	
Difference:			0	
2025 Projected Income Total:			877,160	
2025 Projected Expense Total:			877,160	
Difference:			0	

Committee Reports – Finance

Reserve Budget

	2025 Budget	2025 Proj. credit	2025 proj debit	2026 Proposed	Notes
8000 - Assessments To Reserves	150,000.00	150,000		150,000	
8010 - Interest Income (Reserve)	0.00	850		0	
8020 - Interest Income - Investments (Reserve)	0.00	11,300		0	
Interest Income - CD (Reserve)		15,330		0	
8100 - Capital Repairs Expense	0.00		24,500	0	
8110 - Maintenance - General Expense	0.00		84,150	0	Fascia & Soffit Repairs; Oceanfront Caulking & Shutter Removal
8120 - Building - Interior Repairs Expense	0.00		27,889	0	Leak Repairs (Doesn't count our maintenance hours)
8130-Parking Lot - Improvement Expense	0		7,000		Pot Hole Fill Paving
		177,480	143,539		

Committee Reports – Finance

Reserve Ideas

2026 Reserve Ideas	Estimated Cost
New Stairwell Lights	2,000
A Side Breezeway Ceiling	16,000
Remainder of Soffit & Fascia Boards	50,000
Shutter Paint	12,000
Concrete Pad	5,000
Game Room Repairs	15,000

Committee Reports – Finance

2025 Missed Items

	Plan	Est. Act	Why
Landscaping	5,000.00	9,700	Addition of white river rock in breezeways, 2 new benches for the front entrance, and repairs and additions of plants/decorations in planters
Bldg int. repairs	8,000.00	19,000	Polypipe repairs
Exterior	5,000.00	8,500	General repairs
Elevator	5,000.00	26,000	Extensive door repairs not including the door opener replacements planned
Fire System	8,000.00	20,750	Compressor replaced
Clorine	45,000.00	80,600	Clorine costs were grossly underestimated
Rest. Expenses	4,999.96	6,700	Glass replacement, Plumbing, Door repairs, and electrical repairs
Legal	3,000	9,000	Additional needs resulting from Schindler and Kuester
Total	84,000	180,250	

Committee Reports – Finance

2026 Differences from 2025 Actuals

	Projected	Planned	Why
	2025 Act.	2026	
Landscaping	9,700	5,000	Less white river rock needed, and less cost in additional exterior benches (crafted locally)
Bldg. int repairs	19,000	4,000	Less poly pipe repairs planned (many of the leaks are repaired in house, so less work outsourced)
Elevator repair	26,000	8,000	Door operator replacement at all elevators planned to eliminate some of the elevator maintenance
Fire system repair	20,750	10,000	We do not expect extremely large repairs
Onsite Staff	265,000	300,000	We anticipate additional maintenance staff utilization
Legal Expense	9,000	6,000	We anticipate less legal needs

Committee Reports – Finance

Restaurant Lease renewal – April 1, 2025 thru March 31, 2030

Lease Prior to 2022 – The HOA received a lease only (rent) amount of \$44,558 per year. There was no reimbursement or Taxes, utilities, nor insurance.

Current lease – The current lease includes a TICAM element where the restaurant reimburses us for the taxes paid on their leased portion of the property, the utilities that they use, and a portion of the insurance that we pay yearly. The lease portion increases at 3% each year, and the TICAM is refigured each year to a break even amount to ensure that they are paying what they are consuming.

Lease date – April 1, 2025 thru March 31, 2030. Realizing the difficulties that our restaurant space carries (the kitchen size is challenging for the leased space it serves), we take that into consideration during discussions. We do receive a leased amount per sq. ft. for the outdoor space for 5 months of the year as well.

Current yearly lease amount in 2025 –	\$78,449.60
Current yearly TICAM in 2025 -	\$62,123.40
Total yearly Lease plus TICAM -	\$140,572.96

Committee Reports – Bylaws

Members: Mark Faruque

Committee Reports – TMR

Members: Tony Carpenter

Polybutylene Pipe Replacement

Why Remediation is Needed

- Ongoing polybutylene pipe failures continue to cause water damage, insurance claims, and costly repairs.
- The plumbing system has reached the end of its useful life.
- Full replacement will significantly reduce leak risk, stabilize insurance premiums, and protect property values.

Project Scope & Duration

- Complete replacement of all polybutylene piping throughout the buildings.
- Approximate project duration: 60 days per building.
- Work will be phased to minimize disruption to owners and guests

Projected Timeline

- Start Date: Targeting January 1, 2026 (subject to majority approval and contractor scheduling).
- Completion: Estimated March 2026.

Estimated Cost

- Total project cost: approximately \$957,804.00
- Payment plan under consideration: four equal installments (25% each) due December 1, February 1, April 1, and June 1.

Next Step

- Project requires majority homeowner approval at the October 18 Annual Meeting.

Proposed Estimated Cost

Sagewater Quote:	\$870,773.00
Unforeseen Issues (10%):	\$87,073.00
Total Project Cost:	\$957,804.00

- 1 BR: \$4,280.00 - \$5,651.00
- 2 BR: \$8,320.00 - \$8,950.00
- 3 BR: \$9,988.00 - \$10,870.00

New Business: Insurance Presentation

CAS, Inc.



CAS

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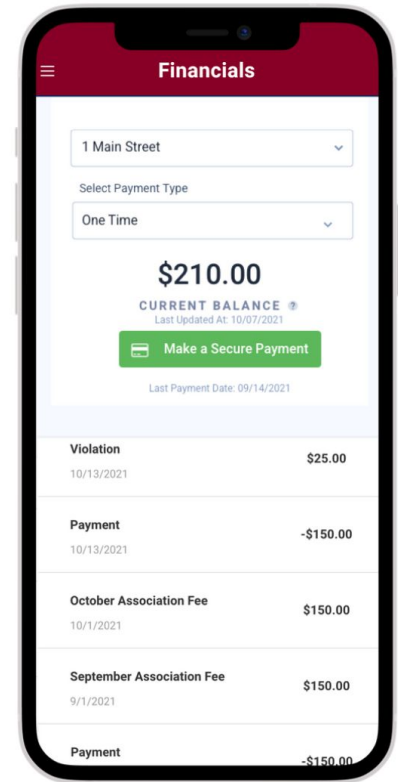
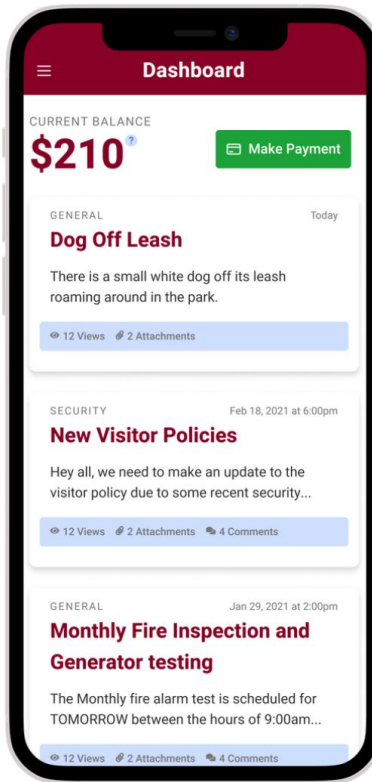
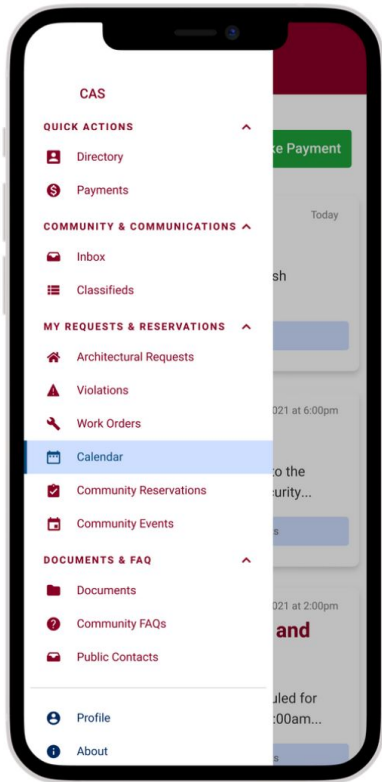
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CAS, Inc.



Operation & Vendor Successes

Cavinder Elevator

- New & Improved Vendor
- More Uptime
- Significant savings
 - Maintenance Contract
 - Capital Improvements

Splash Lease

- 5 Years
- Annual increases

Transition to CAS

- KMG Deficiencies

CAS Management

- August 2025

Staffing Changes

Maintenance and Facilities

Pool Ladder Repair

- Safer; more reliable

Splash Repairs

- HVAC; duct work
- LED Lights in Kitchen
- Sink Repairs

Parking Lot Patching

- Significant patch work

Leak Management

- Multiple Leaks Each Week

Property Oversight

- Vendor Accountability

Facility Update 2026 Priorities

- Pool open on time
- New stairwell lights
- A-side breezeway ceiling
- Remainder of soffit and fascia boards
- Shutter paint
- Concrete pad and fencing around dumpster area
- Game room repairs and remediation
- Long-term elevator upgrades
- Luggage Carts
- A-side hose bib
- Long planter repairs
- A-side gate opening upgrade
- Shutters: Front/wings

Governance

Vote on Five (5) or seven (7) Member Board
Election of Two New Board Members

- Forsyth Alexander
- Tony Merlino
- Nominations from the floor

Call for Committee Volunteers (contact by phone/email)

QA / Open Forum