

Hiller Highlands II Association

1860 Grandview Drive, Oakland, California 94618

Rich Banks-President • Scott Gale-Vice-President • Ed Loss-Treasurer • Tracey Perkins-Secretary
• Judy Barmack-Landscape Chairperson

Board Meeting Minutes November 7, 2016

Present: Rich Banks, Scott Gayle, Ed Loss, Tracey Perkins, Gerard Burnett, Daphne Flamer

The meeting was called to order at 7:06 by Rich Banks

Financial Report - Ed Loss

Expenses in 2016 will exceed the budget by an estimated \$15,000. Spending for water was \$14,000 over budget, because of increased use and EBMUD rate increases. Oakland Fire Department ordered brush removal, which was not budgeted and cost \$9,600. Luckily this was partially offset by a \$5,000 grant from the Diablo Fire Safe Council. You have Ed Loss to thank for discovering the Diablo Fire Safe Council's program and applying for and obtaining the \$5,000 grant.

The Board approved borrowing \$11,100 from the reserve account to fund the shortfall in the 2016 Budget. This must be paid back in 2017.

The Board previously approved paying off the \$50,000 SBA loan balance in 2016 to save \$4,000 in interest over the life of the loan. This will be paid from the reserve. The money that would have been used to pay the monthly loan payments will be used to rebuild the reserve.

The Board approved a plan to not fully pre-fund the reserve to pay for the replacement of our private sewer laterals. This project is planned for 2022 at an estimated cost of \$300,000. HHII will obtain an HOA loan of approximately \$100,000 in 2022 to fund the balance. HOA loans are typically for 5-7 years and currently have interest rates around 5%. This is a change from the

original plan approved by the Board in 2013, which would have increased assessments annually to fully fund the project by 2022. The reason for this change is to have lower assessment increases for current homeowners. The Board is working on a revised reserve funding and assessment plan, which will be presented to Homeowners at the Annual Homeowners meeting in February 2017.

In addition to replacing sewer laterals, other significant expenditures include repaving Treasure Hill in 2022 at an estimated cost of \$45,000, and spending \$7,000/year for 5 years will to upgrade landscaping and trees damaged by the drought.

All the above requires quarterly assessments to increase to \$800 (\$3,200/year) in 2017, beginning on January 1, 2017.

We have a 5 year \$100,00 CD earning \$1,950 per year in interest and maturing in April 2019.

A motion was made by Rich to approve the proposed 2017 Budget. Scott approved and Ed seconded. So moved.

Landscape Report - Judy Barmack

Irrigation is off for the winter. The rain has been helping us out.

A major clean-up was completed behind the homes on the odd numbered side of Grand View.

In general, maintenance has improved because of walk-arounds every 6-weeks and a more reliable crew.

With our \$5000 budget for next year, we should be able to complete our two priority projects at the Treasure Hill entrance and the Yankee Hill corner. In both these locations, the rosemary has failed. The plan is for a combination of boulders and drought-resistant ground cover. In June, the estimate for these two projects was \$3069. This may shift a bit, given the time lag and the specific selection of boulders. Ed suggests getting a sketch of the rock

groupings prior to installation. Judy agreed. Raylene expressed a willingness to begin this work soon and will wait to bill us until 2017. The \$5000 landscaping budget for next year should also allow us to complete a few smaller projects affecting fewer residents.

Given the responsiveness of Trimacs and our budget constraints, Judy does not recommend switching landscape services at this time.

Rich made a motion to approve the landscaping projects, and all approved.

A tree behind 1865 Grand View has been a problem for the homeowner. Daphne Flamer noted that the tree is an eyesore and should be cut down. The Board agreed to inspect the tree, have the tree removed if appropriate.

Yankee Hill Street Repair

Rich is not pleased with the street repair of Yankee Hill. Problems with the repair work:

- Rainwater is not draining properly at 18 Yankee Hill.
- A part of the retaining wall was damaged.
- The upper part of the street was not repaired per approved scope.

He will contact the contractor and make sure the above is corrected. The total cost was \$6977.

Barking Dogs Issues

HH-II has received complaints from neighbors of 1863 Grand View Drive about barking of dog(s). Owner Daphne Flamer agreed to work with HH-II to resolve the barking dog issues and the violation of HH-II CC&R's. Daphne stated that two of the dogs serve as support animals and argued that they should be exempted from the two-pet limit. She also described anti-barking measures that her daughter has undertaken.

She said she did not want to pursue the matter with lawyers and agreed to resolve the problem by the first of the year. Daphne said she could foster one of the dogs and would try and find a home for the fourth. When she rented her townhouse to her daughter and her friend, she was not aware there would be four dogs living in her unit. Daphne recounted the unfortunate misfortune of the tenant's passing of family members and loss of home. We were all empathetic of the tenant's ill-fated situation.

Backflow Preventers

HH-II's backflow preventers, which should be tested annually, have never been tested. HH-II has four water meters, three of which have backflow preventers. Rich arranged for EBMUD to inspect HH-II's backflow preventers and include them in their system. The backflow preventer on Treasure Hill has a small leak that needs repair. There is \$788 in the reserve budget for testing and repair.

Reserve Modeling – Ed Loss & Scott Gale

Based on financial modeling so far, Scott recommended that:

- We fix our quarterly assessments at \$800, which equals \$134,400 per year
- We have a rainy day balance of \$25,000 in our operating account
- New homeowners should incur some of expense of sewer laterals, which would relieve existing homeowners of some of the cost. The downside is that we would be paying interest of possibly 5% for seven years; however, we would break even.
- If we have unexpected expenses, we may have to impose a special assessment.

Rich made a motion to approve the \$800 in quarterly assessment for 2017. Scott approved and Ed seconded. The Board will continue to work on a long-term reserve funding and assessment plan and present it at the Homeowners' Meeting in February 2017.

2017 Board Members

All members agreed to stay on through 2017 and Gerard Burnett agreed to fill in. Thank you!

Miscellaneous:

Architectural Change for 20 Yankee Hill

- Gerard Burnett presented pictures of an architectural change of his property, replacement of the front door. The Board approved of his change.

Gerard also brought up the fact that Yankee Hill is a narrow street and not conducive to parking. He would like to post no parking signs along the right wall and paint the fire zone. The Board approved.

North Hills Association

Scott attended the meeting. He recommended that we be proactive and work with the other HOAs in the area on security problems.

Garbage, Recycle, Green Bins

There are several green bins in the Treasure Hill cul-de-sac. Little did they know, it's an Oakland infraction to leave them out 24/7. If you have any bins visible from roadside, they need to be in your garage. Otherwise the Association will have them removed.

Meeting was adjourned at 8:10 PM.

Minutes respectfully submitted by:

Tracey Perkins
Hiller Highlands Phase II Secretary

