

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 Chairman

Board Meeting Minutes July 25, 2016

Present: Rich Banks, Ed Loss, Judy Barmack, Scott Gale, Gerard Burnett, Tracey Perkins

The meeting was called to order at 7:02 PM

Financial Report – Ed Loss

Good news! Ed applied for a grant with Diablo Firesafe Council, matching funds up to \$5,000, for vegetation abatement. The application was approved. Great job Ed!

Budget versus Actual - Please see attached for the Quarterly Financial Report ending June 30, 2016.

We are on target with our operating budget except with water usage, which is over by \$5,600 year to date. Last year EBMUD placed a 25% surcharge for water usage and it was not accounted for when the proposed 2016 budget was made. The surcharge is no longer in effect as of July 1, 2016.

Rich proposed two options to cover the \$5,600 overage: A special assessment or borrow from the reserves. He recommended that we borrow from our reserves, make an announcement to homeowners, and increase assessments next year. The Board agreed to wait until October's meeting and place Rich's proposal on the agenda for an official vote.

Reserve Cash Management – Scott asked if we could use the Reserve to pay off the SBA loan. Ed stated that the residual of the loan is \$53,331. We pay \$1,466 monthly towards the loan. Total interest to be paid until the loan is paid off in 2022 is \$4,000. Paying off the SBA loan from our \$75,000 in cash, how it impacts our reserve, and how will be repaid will be analyzed and reported on at the next meeting. We will also have a better idea on costs regarding landscaping and road repair of Treasure Hill and Yankee Hill.

Scott recommends that we consider increasing assessments and getting a loan for the sewer lateral work to spread out the cost and share with future homeowners. It was stated that reserves do not have to be fully funded. Gerard recommended that we have funds for community beautification. The Board unanimously agreed to look into alternative funding for the PSLs including HOAs' loan options.

- Scott will do a modeling of prepaying the SBA loan to redirect the money towards operating reserves. He suggests having an operating reserve of approximately \$20,000.
- Ed will check into availability of loans for the PSL expense.
- Rich will seek legal opinion to see if we can use the reserve to pay off the SBA loan. He will also talk with the people who rewrote our documents.

Landscape Report - Judy Barmack

Tree Damage - 22 Yankee Hill is up for sale. The realtor destroyed the aesthetics of a mature, beautiful tree and damaged vegetation on common area to install his “for sale” sign. Judy will get an estimate for replacement of the tree in kind. The homeowner will be held responsible. Rich will send a Notice of Violation ASAP and a lien may be possibly placed on the property.

Judy made a five-year plan to replace landscaping. The major project is to beautify the entrances of the two private streets by placing large boulders with ground cover and to replace plants. The Board unanimously agreed to a landscape budget of \$5,000 per year for five years and \$2,000 per year to cover tree maintenance from the Reserves.

1850 Grand View - The irrigation is not working.

Annual Inspection - Gerard, Rich, Ed, and Scott volunteered for the annual HH-II home inspection. Rich will take notes.

Insurance - Rich has renewed our insurance. Replacement value of property needs to be re-evaluated. Our premiums may possibly increase.

Sewer Laterals - Ed and Scott commended and applauded Rich for his time and effort working on the Sewer Laterals. He has submitted HH-II plans to EBMUD.

1852 Grand View needs sewer repair. May possibly replace the sewer lateral depending on cost.

Alameda Assessor Address Change - Rich is the new contact.

National Night Out - Ed noted that, Tuesday, August 2 is National Night Out - a block party. Unfortunately, it is too late at this time to organize one, but how about next year or possibly have an HH-II get together. Any volunteers to organize?

The meeting was adjourned at 9:02 PM

Meeting Minutes submitted by Tracey Perkins