

HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION
Board of Directors Meeting
Minutes

Date of Meeting: Nov. 15, 2014

Time: 10:00 a.m. or immediately following the executive session meeting.

Location: Shilo Inn 2963 Main St, Mammoth Lakes, CA 93546

1. General

- a. Call to order by President. 11:20 AM
- b. Roll call. Record Board Members, Management, owners and guests present.
- c. Adoption of Minutes for Sept. 17, 2014 Board of Directors Meeting.
Motion: Cole
Second: Stone
Passed: 6-0-7

2. Announcements/Orders of the day if any.

Items discussed in executive session:

- a. Eric Penn's request for additional payment
- b. Review of management report
- c. Budget review
- d. Communications from the attorney representing unit 102
 - a. Treasurers Report

Monthly Report	
Oct 31, 2014	
Operating Fund	\$118,643
Contingency Fund	\$35,000
Replacement Fund (\$155,373
83.3% of the year is gone & 62.5% of the operating budget is spent	
Owners are in arrears for a total of	\$46.00
Owners paid in advance for a total of	(\$10,289)

Presentation of 2015 Budget by Kim Walters, Treasurer

. 2015 Budget Presentation: Recommended Dues increase of \$30.

Based on the following information compiled by Kim Walters and Cindy Butner Accountant:

1. Operating Fund: The bottom line of the 2015 operating fund budget will remain nearly the same as the 2014 budget. The two biggest changes in operating expenses nearly offset each other.
 - a. Insurance premiums decreased \$5K due to a change in the State Farm rating system
 - b. Management fees increased by \$3.5 K due to contract renewal rate increase.
2. Contingency Fund: The 2015 contingency fund balance remains at the current level of \$35K to cover unforeseen emergency expenses
3. Replacement Fund: This area poses the biggest budget challenge. A single replacement component or group of components commonly exceeds the entire year's operating expenses. The replacement fund was not forecasted nor funded for two decades and as a result the owners of the past decade carry the burden of regular and significant

special assessments and dues increases. The trend of increasing dues and special assessments will need to continue in order to accommodate replacement costs and to build a replacement fund balance which meets best practices and standards.

Treasurer Recommendation: Regular monthly dues increase of \$30/unit (7% increase to \$450/month) beginning Jan 1, 2015. This increase is to be allocated 100% to the replacement fund.

The annual increase of \$30,240 replacement funding does not cover all the replacement costs in the near term, but it is a step toward necessary funding for the long term. The detailed replacement data (see excel sheet below) indicates that annual wear and tear cost for all components averages nearly \$200K per year. The BOD won't likely escape applying dues increases or special assessments when the annual replacement funding is less than the average annual cost of wear and tear. The 2015 replacement budget spending components are as follows:

A) Professional Replacement Reserve Study anticipated to take place in Spring 2015 will give us a much needed gauge with updated replacement component useful life and cost estimates;

1) A Reserve Study will be required every Three years according to current law.

2) The 2015 Reserve Study is now included at a cost of \$5K

B) Window replacement reimbursement costs are estimated at 7.5K for 2015 in anticipation of 5 units submitting at \$1.5K each prior to owner approval of the updated CC&R's which discontinue the HOA reimbursement.

C) Major replacement costs on the 2015 list of needs exceed the proposed budget. A few of the items were selected to be included in the budget as presented. The selections for inclusion in this budget at this time are prioritized based on risk/failure potential and affordability. Budgeted 2014 replacement costs total \$274K

1) ~~Parking Lot \$426~~ – NOT RECOMMENDED IN 2015 REPLACEMENT BUDGET DUE TO LACK OF AFFORDABILITY – REQUIRES ADD'; FUNDING OF \$5.1K/UNIT

2) Copper plumbing (lower 6 buildings) \$221K – POSSIBILITY OF EXTENDED REMAINING USEFUL LIFE – INVESTIGATION IN PROCESS

3) ~~Painting of 3 buildings \$59K~~ – NOT RECOMMENDED IN 2015 REPLACEMENTS DUE TO LACK OF AFFORDABILITY AND 6 YEAR LIFE EXPECTED TO 2016 (\$79K – 4BLDGS ANTICIPATED FOR 2016 REPAINTING)

4) Pool Fence and Deck \$30K

5) Snow Blowers \$11K

D) Replacement Funding component spending priorities can be discussed and adjusted during the year as details play out, but it is important to be 'Budget Aware' and to pursue conservative spending coupled with adequate funding. The 2015 year end replacement fund balance is projected to be only \$66K which means the replacement liability will be only 5% funded.

E) Replacement components which have 0-2 years remaining life (replacement slated for 2015, 2016, and 2017) have a current estimated replacement cost of \$883K. The following chart provides a snapshot of the additional owner funding required to have ample cash balance in the replacement fund in the next 1.5 years, by June 2016, to accommodate all the currently slated 2015, 2016, and 2017 replacement costs.

883,115	Current Cost for all Replacement Components with 0 - 2 Years Remaining Useful Life - \$ Needed by June 2016
198,975	Repl Funding Jan 2015 - June 2016 with 2015 Dues Increase
(684,140)	Surplus/(Deficit) Repl Funding
(8,145)	Surplus/(Deficit) Per unit - 84 Units
(452)	Surplus/(Deficit) Per unit per month for 18 months

b. 2015 Budget Approval:

Motion: Ken Stickles Approve Budget including a \$30/month per unit beginning Jan., 2015

Second: Stone

Passed: 7-0

c. Owners in arrears. Action to be taken:

Payment of \$4,327.77 received from unit 111. This is payment completes a 100% payment for the previous owners of unit 111 for the debt for back dues legal fees and penalties. Thank you Ken Stickles for pursuing this debt from the previous owners.

There are no other owners in arrears at this time.

- d. Warning Notices and Fines: No warning notices. Management is being diligent about enforcing rule of one dog, and no nuisance animals. Matt contacted the owner of unit 125 when he observed two barking dogs on the balcony. Owner asserted that he rented the unit with a lease agreement that there is only one dog allowed at the unit.

3. Committee Reports

a. Architectural Committee

- i. Lower Office Spa update: Greg Sacks and Greg Stone

Completion date will be after Thanksgiving

Motion: Wheeler, Approve the addition of tile and installation in the hallway of the lower building to a maximum expense of \$3,500

Second: Walters

Passed: 7-0

Motion: Have management select a door to replace the office door. Have Boyde install the door to a maximum expense \$2,000

Second: Cole

Passed 7-0

Motion: Wheeler Have Management order carpet, padding and installation for the common room to a maximum expense of \$2,000

Second: Stone

Passed: 7-0

- ii. Cost of project: On Budget so far.

- iii. Karen Shorr and Greg Sacks will assist the board with the completion of the Lower Office and Spa project.

- iv. Projected projects for 2015: possible landscaping and irrigation

- b. Action item: Newsletter: Tony and Ruth Wheeler will be coordinating with Tony to provide information to homeowners for the Jan Newsletter.

- c. Web Master: Ken Stickles: Management will research maintenance for the website.

- d. Update documents Articles of Incorporation, CC&Rs and Bylaws: Ruth Wheeler

- i. The completed governing documents have been received from attorney Tim Sanford and reviewed by the board

Motion: Cole to approve the articles of Incorporation as written by Tim Sanford.

Second: Ken Stickles

Passed: 7-0

Motion: Wheeler, Approve the Bylaws as written by Tim Sanford

Second: Second Shorr

Passed: 7-0

Motion: Cole, Approve the CC&R's as written by Tim Sanford

Second: Wheeler

Passed: 7-0

- ii. Information/preparation for submitting Governing documents for membership vote:
Ruth will give a power point presentation to the homeowners explaining the documents at the homeowners meeting.

e. Lighting/Signage: Ruth Wheeler. Tabled

4. Unfinished Business

- a. Communications/Actions from Attorney Ed. Cross representing Ed Jeter, owner of unit 102.

Most recent: Update from Ed Cross, indicated that plans were approved by the town of mammoth and the owners are proceeding with the the bid process for repairs to the unit. The association is waiting to receive information of complete cost of repairs. Greg Sacks has agreed to be the lead committee member to see this project through to completion. The board will seek additional information to confirm the scope of the improvement and code compliance.

Action Item: Tony Cole will follow through with Steve Stokes, Town of Mammoth building department to see that the repairs are completed correctly.

- b. Board elections: Ballots have been distributed to all homeowners

5. New business

- a. Owner Request's with bids for window replacement costs: No Requests

- b. Request by Randy Balik for correction of amount paid for window costs:

Motion: Wheeler, to increase the payment amount to cover 50% of Balik's accepted bids.

Second: Cole

Passed:

7-0

- c. Request for increase payment by Eric Penn regarding website development: The board will not be paying the additional \$2,000 request based on the fact that Eric Penn volunteered services and the board has acted in a good faith gesture of offering Eric \$1,000.

Action Item: Ken will notify Erik of this decision and request that Erik submit an invoice for \$1,000

- d. Servicing of all upper units A-F plus the managers units main heaters.

Motion: Cole to accept the bid for servicing heaters in the amount of \$1,715.00

Second: Wheeler

Passed: 7-0

- 6. Property Management reports. Review of attached Property Management Reports for months ending Sept., Oct, Nov. 2014.

Motion: Wheeler Accept the bid from Freeman for replacing the fascia on part of building J in the amount of \$920

Second: Sacks

Passed: 7-0

Management will paint the board before installation

- 7. Property Management project/item updates & related property matters:

- a. Operating Rules should be sent to owners yearly

Action Item: Wheeler will try to locate all existing operating rules.

b. Cole: Matts and “Slippery when Wet” signs should be installed in the upper pool building
Action item: Matt Zubiato will research the options for this.

c. Board Requested that management look into Photo electric sensors for upper and lower spa’s. and for entire property.

d. Board requested that the management schedule be changed to have Matt and Jessica change their days off from Sat and Sunday

e. Board requested management to look into the use of cell phones by onsite management.

8. Announcement of next Board meeting:

DATE: Janurary, 2015 day TBD

LOCATION: TBD

10. Adjournment. 2:30

MAMMOTH RESERVATION BUREAU

Property Management Division

PO Box 1608, Mammoth Lakes, CA 93546 (760) 934-1603 mammothvacations.com

HIDDEN VALLEY VILLAGE

Property Management Report

September 13 through October 31, 2014

1. HVV experienced a power outage in the beginning of the month. All timers for lights and equipment were reset by staff.
2. All common area fire extinguishers received their mandated annual inspection and service.
3. HVV’s snow blowers were delivered to Sierra Engine for annual service. One of the blowers required more extensive maintenance, including replacement of an impeller bearing and removal and cleaning of engine valves. Total service and repair cost for both blowers combined was \$887. MRB advanced the payment to the vendor in order to retrieve the blowers.
4. Staff completed touch- up painting of exterior entry stairs and railing leading to Buildings B, C, F & J.
5. GC Firewood performed tree trimming of limbs and branches that were too close to our buildings’ roofs and chimneys. All slash was hauled away by GC. In addition, the ML Fire Dept. came to the Complex and processed through their chipping machine, all of the limbs and branches that Matt and Ryan had trimmed during the last month.
6. Winter preparations of the grounds have been performed, including painting and installing snow stakes and extensions, storage of parking lot railroad ties on the tennis court, dismantle and storage of irrigation hoses and timers, installation of plow blade on HVV truck.
7. Towards the end of October the nighttime temperatures dropped below freezing. Staff set main heaters in units at their appropriate winter setting.

8. As approved by the Board, Mountain View Spas has installed a new pump motor and safety timer for the upper spa. Cost was \$1435 for purchase of equipment and installation.
9. While construction was taking place in the lower common building, Matt and Jessica painted the office a medium tan color. Since new carpet will be installed and the old dilapidated desk had to be moved, management ordered a new L shaped desk and chair. Cost for both combined was about \$350.
10. Matt rebuilt the office sign that goes above the entrance. He painted the lettering and wood plaque contrasting colors, using the new colors of the building.
11. Maintenance of primary heaters in units has not yet been addressed this winter. Since we serviced all main heaters last year, we can get back on schedule and service half of the units this year and the other half next year. The cost will be \$35 per heater, up from \$30 that had been charged for the past several years. Please see the accompanying proposal.
12. Management received a proposal from Freeman Roofing for replacing a fascia board on J Building's eave. Since the project involves removal and replacement of flashing and some roof shingles, the cost estimate is \$920. Management had previously forwarded Freeman's proposal to the Board. Would you like to proceed with this repair before significant snow arrives?
13. State of the Complex:
 - Truck mileage: 77423 as of Oct. 31.
 - # of rental units: 30
 - Rental occupancy %, Oct. '14: 8.2%.
 - Units for sale: #134, 1 br./loft, 2 ba., \$265,000.

Respectfully submitted,

Steve Black, Pres. MRB
Jessica Martinez, Res. Mgr.
HVV Property Management