

HIDDEN VALLEY VILLAGE OWNERS ASSOCIATION

Board of Directors Meeting

Minutes

Date of Meeting: Sept 7, 2016

Location: Hidden Valley Common Area Room

1. General

- a. Call to order by President Tony Cole: 6:00
- b. Roll call. At Hidden Valley: Kim Walters, Steve Black, Matt Zubiato, Jessica Martinez. Call in: Tony Cole, Dave Natali Steve Latshaw, Ruth Wheeler, Greg Wheeler.
Guest: Sierra Zubiato
- c. Adoption of Minutes for June 4, 2016 Board of Directors Meeting
Motion: Greg Wheeler Approve Minutes for June 4, 2016 Meeting
Second: Steve Latshaw
Passed: 6-0

2. Announcements/Orders of the day: None

3. Treasurers Report

a. July financial report:

FINANCIAL SNAPSHOT FOR MONTH ENDED		58.4%	Into Annual Budget period
July 31, 2016			
-		51.1%	Operating Expense budget spent
Operating Fund	\$106,937	\$314,550	2016 Total Operating Expense Budget
Contingency Fund	\$30,485	\$160,631	YTD Operating Expenses
Replacement Fund	\$58,973	\$23,466	YTD under budget primarily due to Maint & Sup
<u>Total Funds</u>	<u>\$196,395</u>	7.5%	YTD Over/Annual Operating Budget
4	Units Past Due for HOA Dues	\$720	86.0% Replacement Expense budget spent
19	Units Pd in Advance for HOA Dues	(\$12,046)	\$226,250 2016 Replacement Expense Budget
<u>Past Due Items of Note:</u>		\$194,676	YTD Replacement Expenses
-	New dues \$/structure implemented Jan 2016	\$31,574	YTD Under Replacement Budget Spending
-	Bulk cable rate increased in 2016	125.6%	YTD Repl Exp/Annual Replacement Revenue

b. 2017 Budget Planning: Information from Kim Walters Treasurer:

August 22, 2016

Dear HVV HOA BOD,

The 2017 HVV HOA Budget is in worksheet draft form provided for your consideration and to be discussed in preparation for approval at the September 17, 2016 BOD meeting.

It is recommended that regular monthly dues increase approximately \$10 per unit per month. The actual per unit increase may vary based on the partial tiered dues structure. Part of the increase will apply to the operating fund to cover projected 2017 operating expense increases of \$5K and the remaining \$5K of the increase will be applied to the Replacement Fund to continue funding for the current and future years replacement expenses.

No special assessment is anticipated for 2017. \$25K 2015 remaining operating fund savings are currently housed in the operating fund cash balance (\$42K 2015 savings was transferred to the replacement fund in Jan 2016). It is recommended those \$25K funds be transferred from the Operating Fund to the Replacement Fund in the 4th quarter of 2016. It is currently estimated that \$20K 2016 operating savings will be available for transfer at year end. Approximately \$5K can be allocated to replenish the Contingency Fund to a balance of \$35K. The remaining \$15K can transfer to the 2017 Replacement Fund.

1. OPERATING FUND

The bottom line of the 2017 Operating Fund Budget will be \$5,000 higher than the 2016 operating budget.

- a. Insurance Expenses increase \$500 due to anticipated annual premium increases estimated at 3.0%.
- b. Management fees increase \$2.5K due to an estimated 4.5% contract renewal rate increase.
- c. Electric, Water/Sewer, and Trash Removal increase \$4.0K based on 2016 projected actual expenses and 2017 anticipated rate increases.
- d. Propane Expense decreases \$2.0K based on recent years' actual expense with margin for increase.

2. CONTINGENCY FUND

The 2015 Contingency fund balance is to be replenished to \$35K to cover unforeseen emergency expenses. 2016 Sewer line repair of \$4.5K was funded from Contingency.

3. REPLACEMENT FUND

This area poses the greatest budget challenge, but has been simplified with the June 2015 Reserve Study as a guideline. The trend of increasing dues will need to continue in order to accommodate replacement costs and to build a replacement fund balance which meets best practices and standards. 2017 regular monthly dues increase is outlined in the opening paragraphs. The 2017 increase of replacement funding is a step toward necessary funding for the long term.

The 2017 Replacement Budget spending components are as follows:

- a. The Professional Replacement Reserve Study was completed in June 2015 and gives us a much needed gauge with updated replacement component useful life and cost estimates.
 - i. A Reserve Study will be required every three years according to current law. The next full study will be slated for 2018.
 - ii. The 2015 Reserve Study cost \$2.6K. Updates are available on an interim basis upon request. Cost is dependent upon scope.
- b. Window replacement reimbursement costs are no longer budgeted. Owner approval of the updated CC&R's discontinued the HOA reimbursement.
- c. Copper Plumbing \$297K (lower 6 buildings) – NOT SLATED UNTIL 2025 in Reserve study. PLUMBING STRESS TEST supported postponement.
- d. Major replacement costs budgeted for 2017 total \$89K.
 - i. Entire Parking Lot Slurry Coat \$8K – Lower portion to be coated in 2016 with recommendation for entire parking lot in both 2017 and 2018 then every other year
 - ii. Painting of 4+ buildings \$40K – 2+ buildings (G,I,K) were postponed from 2016 Reserve Study and 2 buildings (B,H) are scheduled for 2017 in the Reserve Study.
 - iii. Roof Preventative Maintenance \$16K as in Reserve Study
 - iv. Sewer Line Clean out \$5K as in Reserve Study
 - v. Pool Heater, Filter, Pumps Replacement \$8.5K. Pool heater and filter replacement is under 2022 in Reserve Study, but needs to be earlier due to constant repairs.
 - vi. Water Heater Replacement \$1K
 - vii. Annual Building paint touch ups \$8.5K
 - viii. Annual Miscellaneous \$2.6K
- e. The Reserve Study scheduled \$36K for Manager and Asst Manager unit remodels in 2017. Those activities and funds are not included in the 2017 Replacement Fund budget as presented. The Asst Mgr unit was addressed and repaired in 2015. And the Managers' unit can be pushed to future years as deemed necessary.
- f. Replacement Fund component spending and priorities will adjust as details are revealed, but it is important to remain 'Budget Aware' and to pursue conservative spending coupled with adequate funding. The 2017 year end Replacement Fund balance is projected to be \$204K.

Motion: Ruth Wheeler; The board approve Kim's recommendation to raise dues by \$10. This will be calculated on the tiered rate. Kim is instructed to proceed with this budget plan and present the budget at the November Annual meeting

Second: Steve Latshaw

Passed 6-0

Owners in arrears. Action to be taken: None of significance Unit 130 owes \$540.39

- a. Bulk cable expenses: these are all in alignment now
 - b. Warning Notices and Fines: None
7. Standing Committee Reports:
- a. Newsletter: Wait until after November Annual meeting to send out the next meeting.
 - b. Web Master/communications: Nothing to Report
 - c. Operating rules: Steve Black recommended that the operating rules be established and published. He will send an article that supports this view and a sample of rules that are used by other associations.
 - d. Tennis Court Use: Tables and games have been purchased they will be stored until next spring. Management was able to purchase all items under the budgeted amount.
 - e. Upper Driveway Project

- i. Review of total cost: \$191,528 budget was \$188,000. The overage was due to the necessity of some wood retaining structures and back filling above building E
- ii. Final inspections-Tony Cole, president and management will double check to see if any inspections are necessary
- iii. Future maintenance: Lower Driveway will be Slurry Coated Sept or Nov of 2016. Both upper driveway and lower driveway will be Slurry Coated in the fall of summer or Fall of both 2017 and 2018. After 2018 the entire driveway will be slurry coated in the summer or fall of even numbered years only (every other year)
- e. Landscape and Grounds Maintenance and Improvements.
 - i. Review cost to date of office planter: 2,967.29 last year replacement
 - ii. Items necessary to complete the office planter: Management is instructed to purchase and plant bulbs to complete the project
 - iii. Tree planting possibilities: Ruth will look into small tree planting. A schedule of tree removal for dead trees will be established. Matt will establish a "tree catalog" of trees that will need to be removed. He will get bids for removal from GC forest products.
 - iv Winter readiness: Matt requested the rental of a roto hammer with a drill bit to help with installing the snow stakes for winter. He will get a cost estimate to the board.
 - v. Water usage has been average: Steve will enroll Hidden Valley in a program offered by the water district. Kim will be the board member who will get account info to register for the program.
 - vi. Fall wild flower seeding: Matt will spend the same amount as last year and broadcast seed in the fall rather than the spring.

8. Old Business

- a. Painting of buildings
 - i. Buildings D & E and trim of G: Painting should be complete by the end of next week.
- b. Email communications to homeowners: 48 owners have completed the necessary form
- c. Pool Cover: Matt has measured for the new pool cover. The cost of shipping caused the expense of the cover to exceed the budget of \$2500.

Motion: Kim Walters to increase the \$2,500 cost of the pool cover to include the cost of shipping and tax

Second: Ruth Wheeler

Passed: 5-0

- d. Tile Repairs for pool and Jacuzzi: Matt and Jeff have purchased pool grade thin-set and grout and they will attempt to repair the tile. The pool repairs should be completed by the end of September. Matt will minimize the pool closure inconvenience as much as possible.

9. Management Reports. See attached.

10. Property Management project/item updates & related property matters

- a. Laundry Room maintenance: Management has contacted the Eakin Coin Laundry. They will replace a machine in the lower laundry that was causing laundry loads to come out with grease spots due to a malfunction of the washing machine.

11. New Business

- a. Construction Debris behind buildings F & G: Cost to remove will be high so removal will be deferred. Matt will see if he can find a cost effective way to deal with the cleanup.

12. Announcement of next Board meeting and Homeowners Meeting:

- a. Board meeting: Saturday, November 12, 2016 10:00 AM. Location: Hidden Valley common area room
- b. Annual Homeowners meeting: Saturday November 12, 2016; 3:00 PM. Location: Shiloh Inn

13. Meeting was adjourned by Tony Cole at 8:58PM

MAMMOTH RESERVATION BUREAU

Property Management Division

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

HIDDEN VALLEY VILLAGE

Property Management Report
As of August 31, 2016

1. Installed new signage around office exterior.
2. Staff built a new planter in front of the office building, including trenching and installation of a bubbler system, installing timer, installing and painting lattice backdrop, dug holes for and planted trees and shrubs under Fran's direction. Tested bubbler system- works well. Moved decorative rocks into unfilled corner area at end of planter.
3. Painted "non-slip" product onto Trex walkway leading to buildings H & I. Also painted retaining wall between B & C buildings.
4. Staff removed the exterior trim and dry-rotted wood from a window of Unit #37. The window perimeter was caulked, wood components sealed, trim painted and installed.
5. An owner reported to the Mono County Health Department, an individual smoking on an adjacent balcony. An employee of the Health Department came to HVV and brought several metal "no smoking" signs, with instructions to install them at all stairway entrances. Staff performed the installations.
6. Lots of vehicle action during the blues festival, requiring staff to continually monitor parking. Ongoing cleaning and chemical adjustments were required for the pool and spas. Matt installed repair components for one of the chemical feeders.
7. Matt completed measurements for a pool safety cover.
8. Staff inspected all Trex entry deck components, tightened screws along with nuts and bolts holding metal grate stair treads.
9. Shepler repaired the closer that prevents the lower spa gate from slamming shut. Mammoth Lock and Key repaired the lock for that gate.
10. Freeman Roofing repaired the fascia on Building G.
11. Staff primed and painted the entry doors to the Assistant Manager's residence and the Employee entrance to the office building.
12. On a regular basis staff performed trash and debris abatement around all HVV buildings. Pine needles have begun their end of season accumulation around the grounds. Staff now includes pine needles in their trash removal rounds.
13. Common area light timers are being adjusted as days grow shorter.
14. Management purchased two new pine picnic tables with benches along with an outdoor game set.
15. State of the Complex:
 - a. Truck mileage, July 31: 83,457; August 31: 83,588.
 - b. # of rental units, July 31 & August 31: 30.
 - c. Rental occupancy %: July, '16, 52.4%; Aug, '16, 43.3%.
 - d. Units for sale, Aug. 31: #41, studio, 1 ba. \$132,000; #45, studio, 1 ba. price unknown.(listed at \$229,000 sold in 2 weeks)

e. Units sold, Aug. 31: #128, studio & loft, 2 ba., price unknown.

Respectfully submitted,

Steve Black
Jessica & Matt
HVV Property Management