

**HIDDEN HILLS COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
CORRECTED MEETING MINUTES**

May 21, 2019

The regular meeting of the Board of Directors was held on Tuesday, May 21, 2019 at the Community Center, 24549 Long Valley Road, at 7:30 p.m.

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 7:40 p.m. by President John McGinnis. Also present were Deb Spellman, Mitch Jacobs, Joe Loggia, Debbie Seror and David Zebrack. Alex Werner Resnick was absent.

APPROVAL OF MINUTES

Joe Loggia made a motion to approve the minutes of the April 30, 2019 meeting as submitted. Debbie Seror seconded the motion, all in favor, motion carried. Deb Spellman made a motion to approve the corrected minutes of the January 22, 2019 meeting. Debbie Seror seconded the motion. All in favor, motion carried. Joe Loggia then made a motion to approve the corrected November 20, 2018 meeting minutes. Debbie Seror seconded the motion, all in favor, motion carried.

ANNOUNCEMENTS / OPEN DISCUSSION FROM THE AUDIENCE

1. Amanda Adeli, from 24629 Wingfield, would like permission to convert the office behind the kitchen into a Speakeasy. She handed out a presentation.

COMMITTEE REPORTS

1. LANDSCAPE COMMITTEE - Melissa Wallace, Chair

- a. Consideration of Tree Replacement Species and Specification. Lynne Burns from Seed Landcare suggested using Holly Oaks as a replacement for pepper trees that have to be removed. They only have to be pruned every 3-5 years, whereas peppers really should be pruned every year. Holly Oaks are drought-tolerant, do well when surrounded by d.g., are disease-resistant and non-invasive. Instead of becoming a liability as they get older, they get more stable and valuable. They drop acorns in the Fall, but these are only hazardous to horses if consumed in very large quantities. Debbie Seror made a motion to approve the use of Holly Oaks in the future for replacement of parkway trees and no longer use pepper trees. Joe Loggia seconded, all in favor, motion carried.

BOARD OF DIRECTORS MEETING MINUTES

May 21, 2019

Page 3

2. GATE OPERATIONS COMMITTEE / COVERED 6 - Jeffrey Korchek, Chair

Jeffrey Korchek was not present to give a report.

- a. Consideration of Adding Christmas Eve to “No Work Allowed” List. Shannon Moore said the committee voted unanimously to add Christmas Eve to the list of holidays during which workers are prohibited. David Zebrack made a motion to publish the rule change in the newsletter and bring it back to the Board for a vote. Joe Loggia seconded the motion, all in favor, motion carried.
- b. Approval to Purchase of Radio Channel & Equipment. Proposals were submitted by Covered 6 for a new radio frequency and radios for the gate and patrol officers. It was going to be added as an operating project in the next fiscal year, but Joe Loggia suggested approving it now rather than waiting until next year. Two proposals were received, one for \$14,156.00, the other for \$61,000.00. Joe Loggia asked if the issues of access to the radios was resolved, and Debbie Seror stated that the airwaves are public and anyone can monitor. Joe Loggia made a motion to approve the bid from SJM Industrial Radio in the amount of \$14,156.20. David Zebrack seconded, all in favor, motion carried.

3. PARKS & RECREATION COMMITTEE - Jennifer Zuiker, Chair

- a. Approval of Kids’ Welcome Party Budget. The Summer Opening Day/Kids’ Welcome Party is June 15 with a budget of \$8,000.00. Proposed expenses are \$7,733.84. Debbie Seror made a motion to approve the projected expenses. Deb Spellman seconded, all in favor, motion carried.

4. ROADS COMMITTEE - Rick Morris, Chair

Rick Morris was not present to give a report.

- a. Approval of Annual Parkway Repairs. Shannon Moore explained that a list of parkways damaged by the winter storms was included in the Board’s packets, along with a proposal from Zacha Construction for the repairs. The list does not include parkways that are eroded by the resident’s irrigation or runoff. Joe Loggia made a motion to approve the \$54,200 proposal from Zacha Construction for repair of parkway erosion caused by winter storms. David Zebrack seconded the motion, all in favor, motion carried.

BOARD OF DIRECTORS MEETING MINUTES

May 21, 2019

Page 4

- b. Approval of Slurry and Asphalt Proposals. Several bids were received for this summer's asphalt work, which includes repairs to damaged asphalt, edge grinding, crack filling and slurry sealing. Because the bids for asphalt repairs varied widely, the Board felt the scope needed to be revised and bids verified. The matter was tabled so that the bid numbers could be verified, references checked and a consultant found who could evaluate the work being done.

5. EQUESTRIAN SERVICES COMMITTEE - Keith Christian, Chair

Keith Christian reported that the committee is moving forward with the arena work approved at the last meeting and working on safety issues (dogs and vehicles on trails). They are going to schedule a meeting with Mike Zacha and the landscapers to improve trail maintenance.

6. THEATER COMMITTEE - Nathalie Blossom, Chair

Nathalie Blossom reported that David Stanley will be doing next year's Valentine's show. Gloria Watts' last play in Hidden Hills will be this summer, an adaptation of Wicked, after 35 years. Receptions will be held after both shows. Nathalie requested and was granted permission to solicit donations for Gloria's retirement gift.

7. ARCHITECTURAL COMMITTEE - Ron Heston, Consultant

- a. Lot Line Adjustment - Lipscomb/Walker. Ron Heston explained that the large construction project on Long Valley is being required to install a wide driveway for the fire department, and the Architectural Committee wants to save the trees lining the existing driveway. So a lot line adjustment is needed. Mitch Jacobs made a motion to approve the Lot Line adjustment between 24334 and 24314 Long Valley Road. Deb Spellman seconded the motion, all in favor, motion carried.

DIRECTORS' TOPICS

1. Consideration of Rule Change re Gardeners on Saturdays. Shannon Moore said the issue of prohibiting gardeners on Saturdays was put out to the community before, with a lot of backlash from residents who worked during the week and needed Saturdays to meet with their gardeners and other workers. After some discussion, it was decided to send it back out in a different form. Deb Seror made a motion to solicit comments from the membership on a proposed rule change restricting gardeners to 8 a.m. to 4 p.m. on Saturdays. Mitch Jacobs seconded the motion, all in favor, motion carried.

BOARD OF DIRECTORS MEETING MINUTES

May 21, 2019

Page 5

2. Approval of Agreement with City re Perimeter Camera Project. Mitch Jacobs had some issues with the proposed contract with the City regarding reimbursement for the perimeter camera project. He wanted to discuss it in executive session first. This issue will be tabled to next month.

TREASURER'S REPORT - Joe Loggia, Treasurer

1. Review of Financial Reports. Joe Loggia reported that the Association has plenty of cash to operate through the end of the calendar year when the assessment revenue will be received.
2. Approval of 2019-20 Pro Forma Budget

Joe Loggia reported that assessor's roll was obtained on May 18 and the value of property in Hidden Hills was lower than last September by 1%. Every one cent of assessment rate equals approximately \$176,000 in revenue. Keeping the rate the same, \$.25 per \$100 of value, generates \$4,410,540 in revenue. Projected operating expenses are proposed at \$5,722,910 which includes \$507,000 in operating projects and a reserve contribution of \$1 million. Assuming the assessor's roll does not increase substantially between now and September, and assuming the assessment rate remains unchanged, the projected deficit is \$838,570.00. A full copy of the budget, including a number of back-up schedules, was included in the Board packets with copies for the audience. The budget was discussed in depth. Some key points:

- An analysis of the excess funds reveals that on June 30 the Association is expected to have \$3,452,195 in cash. Adding to that the A/R and deducting the A/P and five months' operating expenses leaves \$1,409,525. The Board will be determining how to allocate those funds.
- There has been a large increase in the guard services expenses over the past few years. This year the increases were due to extra traffic officers and extra personnel to help with fires and burglaries. The Operating Project section of the budget includes funds to add enhanced patrol officers, should the Board decide to expand security services.
- The Parks & Recreation Committee budget has increased due to a number of newly proposed events.
- The landscaping expenses are being driven up by the cost of labor – both the increase in minimum wage and the lack of available labor.
- The ESC requests for emergency sheds and supplies was removed from the draft operating projects and \$70,000 was added for additional perimeter cameras.

BOARD OF DIRECTORS MEETING MINUTES

May 21, 2019

Page 6

David Zebrack made a motion to approve the pro-forma 2019-20 budget. Debbie Seror seconded, all in favor, motion carried.

3. Approval of 2019-20 Reserve Study.

Joe Loggia reported that a new reserve analyst was hired and the draft report is ready for approval. It states that the reserves are 17% funded, which puts the Association at high risk of special assessment. It recommends increasing the annual contribution from \$881,000 to \$975,000 as well as adding a lump sum of \$1 million to the Reserve fund. That would result in lowering the risk to just under the amount needed to change the risk of special assessment to “medium.” In order to reduce the risk to “low,” the reserves would have to be 70% funded, which would require more than \$4 million. Mitch Jacobs made a motion to approve the Reserve Study for the 2019-20 fiscal year, prepared by Association Reserves. David Zebrack seconded the motion, all in favor, motion carried.

REPORT ON EXECUTIVE SESSION

John reported that the Board met earlier in executive session to discuss member discipline and potential litigation.

ADJOURNMENT

There being no other business, Joe Loggia made a motion to adjourn the meeting. David seconded, all in favor, motion carried. The meeting was adjourned at 10:35 p.m.

John R. McGinnis, President

Mitchell A. Jacobs, Secretary