

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

**September 17, 2019**

The regular meeting of the Board of Directors was held on Tuesday, September 17, 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 7:30 p.m. by President John McGinnis. Also present were Deb Spellman, Joe Loggia, Debbie Seror, David Zebrack and Alex Werner Resnick. Mitch Jacobs was absent.

**APPROVAL OF MINUTES**

Alex Werner Resnick made a motion to approve the minutes of the August 27, 2019 meeting as submitted. David Zebrack seconded the motion, all in favor, motion carried.

**ANNOUNCEMENTS / ITEMS NOT ON THE AGENDA**

1. John McGinnis had several announcements:
  - John thanked the many volunteers who participated in Fiesta. It's a big event and it couldn't happen without the tremendous efforts of the volunteers.
  - The deadline for submitting names for the upcoming board elections is October 1. Candidates must qualify under the Bylaws.
  - There have been several water main breaks recently on Jim Bridger and Long Valley Roads. The Water District will be installing temporary above-ground water mains while they design new systems.

**TREASURER'S REPORT - Joe Loggia, Treasurer**

1. Approval of Financial Reports. Joe Loggia reported that the Association has \$2.878.00 million in operating funds and \$1.1 million in Reserve funds, for a total of about \$4 million, compared to \$4,020,000 last year. The packets included the income & expense report, bank reconciliations, delinquent assessment report, accounts payable, check register, general ledger, etc. David Zebrack made a motion to approve the Treasurer's Report. Deb Spellman seconded, all in favor, motion carried.
2. Approval of Revised Budget. Joe Loggia reported that his goals for the current year are to (1) fund the Reserve account so that the Association is out of the "high risk for special assessment" category; (2) stop spending more than current year's revenue; and (3) avoid raising the assessment rate.

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Regarding goal number 1, Joe explained that the Reserve Study shows the Association's Reserve funding level to be at 17%. National studies indicate that Associations whose reserves are less than 30% funded are at high risk for a special assessment. In order to boost the Association out of the high risk category this year, the Reserve contribution needs to be increased by \$1,490,000.00.

With regard to goal number 2, Joe reminded the board that the preliminary budget approved in May included \$800k more in expenses than what was expected in revenue, not including any additional allocation to Reserves.

Regarding goal number 3, Joe reported that the current assessor's roll has been received and it shows that \$.25 per \$100 of assessed value generates \$4,778,007.00 in revenue.

Joe then presented a draft revised budget that addresses all three goals. It eliminates the \$275,000.00 operating contingency, the potential addition of armed patrol, and non-essential operating projects and increases the Reserve contribution by \$1,490,000.00. And it utilizes the remaining excess funds. An additional \$38,000.00 still needs to be eliminated from the budget, but once that is accomplished, the assessment rate of \$.25 will be sufficient to fund the budget.

Joe also created an assessment allocation report to show the Board what percentage of the \$.25 goes to the different expense categories. General operating expenses account for about \$.09 cents. Equestrian services, less than 1 cent. Architectural is revenue-generating. Gates, which includes security, is slightly over 8 cents. Theater (including the Valentine's Musicales) is 1/4 of a cent. Landscaping is 4 cents. The single biggest expense item is security. Each one cent of assessment rate generates \$190,000.00.

Joe then reminded the Board that the law requires Association boards to only collect assessments to cover the current year's expenditures. In response to questions from the Board about what happens in the event of an unexpected expenditure, such as additional surveillance or patrols, Joe said the Board can borrow from Reserves to fund a temporary cash flow problem.

David Zebrack made a motion to approve the revised budget. Debbie Seror seconded the motion, all in favor, motion carried.

3. Approval of Assessment Rate. Based on the revised budget, Deb Spellman made a motion to set the 2019-20 assessment rate at \$.25 per \$100 of assessed value. Alex

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Werner Resnick seconded the motion, all in favor, motion carried.

4. Approval of Draft Audit. This item was tabled, as the report was received late and Joe has questions of the auditors.

### **COMMITTEE REPORTS**

#### **1. THEATER COMMITTEE – Nathalie Blossom, Chair**

Nathalie Blossom was not present to give a report. Farnaz Fardad-Finn reported that the Committee has two new co-chairs: Kedra Gottlieb and Karleen Basch. Nathalie will stay on the Committee until the end of the year. JAXX, which is going into its 8<sup>th</sup> year, is producing “Matilda,” and Palmer Davis is producing “Alice in Wonderland.” Palmer has about 14 kids.

#### **2. PARKS & RECREATION - Jennifer Zuiker, Chair**

Liz Moses, co-chair, reported that the Drag Queen Bingo event was a huge success. The attendees would like to do it again. The ticket prices and maximum number of attendees will be raised for the next time.

- a. Approval of Winter Social Budget. Liz Moses reported that the projected expenses for Winter Social are \$158.00 over budget due to the addition of snow. Alex Werner Resnick made a motion to approve \$25,158.00 for the Winter Social. Joe Loggia seconded the motion, all in favor, motion carried.
- b. Approval of Senior Events Budget. Liz Moses reported that the Committee would like to sponsor a mahjong lesson for \$436.00. The date is yet to be determined. Deb Spellman made a motion to approve mahjong for \$436.00. David Zebrack seconded the motion, all in favor, motion carried.

The Committee is also proposing to take a group of seniors to the King Gillette Ranch for Night of the Jack. The proposal includes transportation and the entry fee for 10-15 people. Alex Werner Resnick made a motion to approve not-to-exceed \$1,000.00 for Night of the Jack. Deb Spellman seconded the motion, all in favor, motion carried.

- c. Approval for Wine & Paint Night Budget. This event costs \$35 per person and costs participants \$30, so the Association would be subsidizing \$5 per person plus snacks. Deb Spellman made a motion to approve the budget for Wine & Paint

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Night for not-to-exceed \$1,500.00. Alex Werner Resnick seconded the motion, all in favor, motion carried.

### **3. GATE & PATROL COMMITTEE - Jeffrey Korchek, Chair**

Jeffrey Korchek was not present to give a report.

- a. Approval of Budget for Halloween Rentals. Debbie Seror stated that the Board packets contained the budget for lights, barricades and a trolley for Halloween. The lights and barricades have been used in prior years but the trolley idea is new. After discussing the goals and logistics for the trolley, the Board did not think it was a good idea for this year. Deb Spellman made a motion to approve the budget for lights and barricades for Halloween for a total of \$3576.30. Alex Werner Resnick seconded the motion, all in favor, motion carried.

### **4. EQUESTRIAN SERVICES COMMITTEE - Keith Christian, Chair**

Keith Christian reported that both the vet talk and vaulting event were well-attended and well-received. The next event is a horse-handling clinic this Saturday, geared toward folks with no experience handling horses, including CERT members.

Keith reported that, pursuant to discussions earlier in the year, now that Fiesta is over the Committee will have Dave Martin recondition the Spring Valley Arena footing. This will be done before the October 20 gymkhana.

Keith said he met with City and Association personnel about the City's undergrounding project to make sure the equipment is as horse-friendly as possible.

### **5. ARCHITECTURAL COMMITTEE - Ron Heston, Consultant**

Ron Heston reported that the Architectural Committee took in \$5,633.00 last month, which is not reflective of amount of activity. There are several new homes being reviewed, but no variances coming up for approval.

There was some discussion about projects that exceed the deadline listed in the Standards. Ron Heston said owners can request extensions, but usually the Committee only approves one. The problem with penalizing folks who take too long to finish their project is that the reason is usually financial, and adding financial penalties on top of that doesn't help the project get finished any sooner. It was decided that the Committee would cite folks who exceed the timeline and allow the Board to determine what penalties

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should be imposed.

### **6. REPORT ON CITY COUNCIL MEETING - Deb Spellman, Liaison**

Deb Spellman said the last City Council meeting included a discussion of the undergrounding project. John McGinnis said the City is planning to underground utility poles along Long Valley between the Community Center and Hilltop Road, where wires cross over the street. Some vaults will be above-ground, some underground. The City will do everything possible to minimize the impact to horses. Anyone curious about the project should contact Dirk at the City. David Zebrack added that this is a very important project from a public safety perspective, as most of the big fires are started by electrical lines.

### **REPORT ON EXECUTIVE SESSION**

John McGinnis reported that the Board met earlier in Executive Session to discuss contracts with third parties.

### **ADJOURNMENT**

There being no other business, Joe Loggia made a motion to adjourn the meeting. David Zebrack seconded the motion, all in favor, motion carried. The meeting was adjourned at 9:10 p.m.

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John R. McGinnis, President

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Mitchell A. Jacobs, Secretary