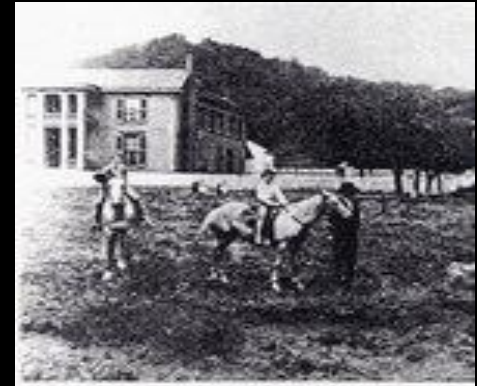


# Highland View Homeowners Association, Inc.



**Annual Meeting  
Thursday, February 21, 2019  
Brentwood Library**

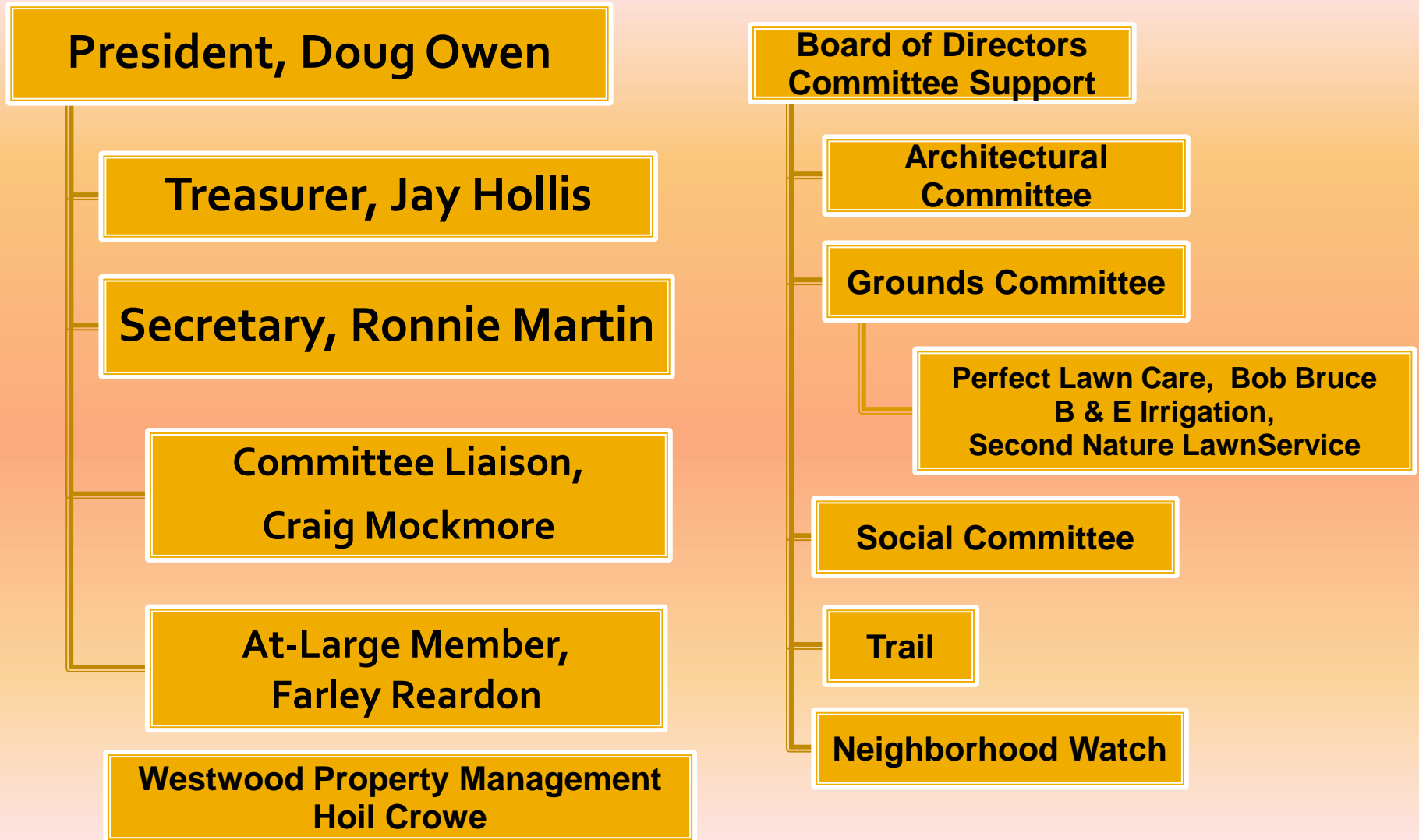
# Agenda

- Introductions
- Approval of minutes ([2018](#))
- Committee Reports
- Neighborhood Survey Report
- Financial Report
- New Business
- Adjournment

# Quorum and Minutes

- Ronnie Martin, Secretary
- Affirmation of quorum by Hoil Crowe
- Call for corrections to minutes of [Feb 2018](#)
- Motion and second to approve existing or amended minutes

# Organizational Structure



# Committee Reports

- Grounds
- Architecture
- Social
- Trail

# Grounds Committee

The Grounds Committee is the point of contact with our lawn-care contractor Bob Bruce and also undertakes at least two neighborhood work-days related to the common grounds.

The committee oversee a budget of approximately \$30K (not including major landscaping projects)

Dan Platt (Chair)

John Algee

Mario Crucini

Jay Ellis

Mike Umphres

# Grounds

## Year in Review

- Cul-de-sac island renovation Phase 4
  - After two island renovations completed in 2017, no additional renovations completed in 2018.
  - Helmsdale North and Highland Place remaining two islands to renovate.
  - One island targeted for renovation in each of Fall 2019 and 2020
- Front entrance lighting upgrade completed
- Dead trees removed in front island and berm in 2018
- Increased weeding and island clean up completed with Bob Bruce

## Looking Forward

- Brick and metal work on bridge at front entrance

# Architectural Committee

The Architectural Committee is charged with the task of **pre-approving items below to meet [HOA guidelines](#)**

- External home renovations (including paint, brick, shutters, doors)
- Additions such as deck, screened porches, hot tubs, fences
- Removal of trees with trunks exceeding 4" in diameter

**[Application](#) is simple and approval is fast**

Mike Goodwin (Chair)

Missy Bownlee

Kathy Coleman

Tom Doyle

Jennifer Masters

Suzie Umphres



# Social Committee

## Seasonal/Holiday

**April** – Easter Egg Hunt

**May** – Pool Party (weather dependent)

**July 4<sup>th</sup>** – Parade and Barbecue

**October** – Halloween Party/Pumpkin Carving

**December** – Christmas Decorations, Luminaries

## Other Social Gatherings

Bonfire (end of October)

New Neighbors Party

Bunko

Progressive Dinner

# Neighborhood Survey Results

- Thank you to all that participated in the neighborhood survey last summer. We had a good turnout of responses.
- The neighborhood survey identified a few areas of consensus regarding enhancements.
- The board and committees have taken initial steps to address the priorities. Future investment in these priorities may be necessary and must be balanced with a responsible budget process.
- Additionally, there are areas where the board and committees have not pursued action due to a lack of consensus. These priorities will continue to be assessed periodically

# Neighborhood Survey Results

## Key Survey Priorities

- Resolve front entrance problems (median) – removal slated for Spring 2019
- Improve pool pavilion bathroom (discuss in Murry Lane HOA meeting) – improvement slated for Spring 2019
- Improve grounds maintenance – scope of grounds contract expanded for 2019
- Improve entrance lighting – completed in 2018

## No Action

- Consolidated trash collection
- Mailbox enhancements
- Investment in open space seating, additional hiking trails, and mole remediation

## Dues

- 69% of respondents were open to a \$25/quarter or greater increase in order to accomplish enhancement goals

# Entrance Bridge Update

- During spring 2018 evaluated multiple design solutions to alleviate future damage to the bridge.
- Contacted City of Brentwood to discuss collaboration on removing the median and fixing the bridge.
- Determined through survey significant neighborhood interest in an approach that removes the median.
- Engaged engineer for study confirming feasibility of removing median.
- Challenged in finding contractors willing to do the work and uncertainty in the overall cost of the project.
- Decided, given how long a permanent solution could take to come together, a repair was needed to simply repair the median. Completed repair in early fall and damaged again within months.
- Contractor whose truck did the damage was identified and the company has agreed to pay for the repair. Payment will be applied to larger removal project.
- Contractor identified to complete median removal.

# Entrance Bridge Update

- Mike Moody has been identified as a contractor with the experience and interest in removing the median.
- Mike's quoted cost is manageable within the 2019 budget.
- HV has been well pleased with Mike's work in the past.
  - Built retaining wall by the pool and the drainage culvert to the left of the pool pavilion.
- Mike has done numerous nearby projects for City of Brentwood, including installing the fencing along Murray Ln and a large concrete culvert by Scales.
- The board completed a reference check on Mike with the City of Brentwood, who was very complimentary of Mike's work and confirmed their willingness to work with Mike and believe that he can handle our bridge project.
- Work will take several days and will need to be performed in warmer weather for required paving.
- Mike will coordinate all aspects of the project with the City.

# Rendering of Entrance without Median



# Financial Report

- Review of 2018 Actual and Budgeted Results
- Five Year Income and Expense Trend
- Budget for 2019
- Reserve Trends

# 2018 Financial Results

(Cash Basis Accounting)	2018 Budget	2018 Actual	2018 Notes
<b>Total Income</b>	\$ 40,900	\$ 40,938	81 homes @ \$125/quarter
<b>Expense</b>			
<b>Administrative Expenses</b>	9,283	10,947	Increase in office/postage expense
<b>Grounds Expense</b>	24,883	28,782	Increased weed control & irrigation expense
<b>Social Expense</b>	1,000	266	
<b>Total Expense</b>	35,166	39,995	
<b>Net Operating Income</b>	5,734	944	
<b>Reserve Items</b>			
<b>Landscaping Improvements</b>	5,000	2,472	Excludes \$3k unbilled tree expense
<b>Front Entrance Bridge</b>		1,300	
<b>Other Front Entrance Repairs</b>			
<b>Total Reserve Items</b>	5,000	3,772	
<b>Other Investment Income</b>	-	420	
<b>Net Income</b>	\$ 734	\$ (2,409)	



# Five Year Change in Expenses

- Over the past 5 years expenses have increased 25% while income is up only 5%.
- This analysis ignores spending on reserves.

	2014	2018	Change	
			\$	%
Quarterly Dues	\$ 118.75	\$ 125.00	\$ 6.25	5.3%
Annual Income	38,475	40,500	2,025	5.3%
Administrative / Social Expen:	8,458	10,947	2,489	29.4%
Grounds Expenses	23,183	28,782	5,599	24.2%
Total Expenses	31,641	39,729	8,088	25.6%
Net Operating Income	\$ 6,834	\$ 771	\$ (6,063)	-88.7%

Note: Does not match 2018 financials as dues collections do not match exact billing of dues. Analysis does not include spending on social events.

# Proposed 2019 Budget

(Cash Basis Accounting)	2018 Actual	2019 Budget	2019 Notes
<b>Total Income</b>	\$ 40,938	\$ 51,840	81 homes at \$160 per quarter (\$35 increase, offset with \$10 reduction at ML)
<b>Expense</b>			
<b>Administrative Expenses</b>	10,947	11,072	
<b>Grounds Expense</b>	28,782	28,850	Per new grounds and weed contracts (full year 85/15 split ML)
<b>Social Expense</b>	266	400	
<b>Total Expense</b>	39,995	40,322	
<b>Net Operating Income</b>	944	11,518	
<b>Reserve Items</b>			
<b>Landscaping Improvements</b>	2,472	5,750	Renovation of one island
<b>Front Entrance Bridge</b>	1,300	8,500	Removal of bridge center island.
<b>Other Front Entrance Repairs</b>		3,000	Pressure wash brick/paint iron fence at entrance
<b>Total Reserve Items</b>	3,772	17,250	
<b>Other Investment Income</b>	420	-	
<b>Net Income</b>	\$ (2,409)	\$ (5,732)	

# Reserve Modeling

- Reserves are balances held in order to pay for large capital expenses both planned and unforeseen
- Planned means on a expected cycle based on expected life of physical asset or equipment (resurfacing of pool deck, replacement of recirculating pumps, etc.)
- Based on engineering study: 1996 (GEC) and formal financial analysis: 2011 (McLaughlin and Crucini)
- Also utilized for investment in upgrading or modernizing the neighborhood .

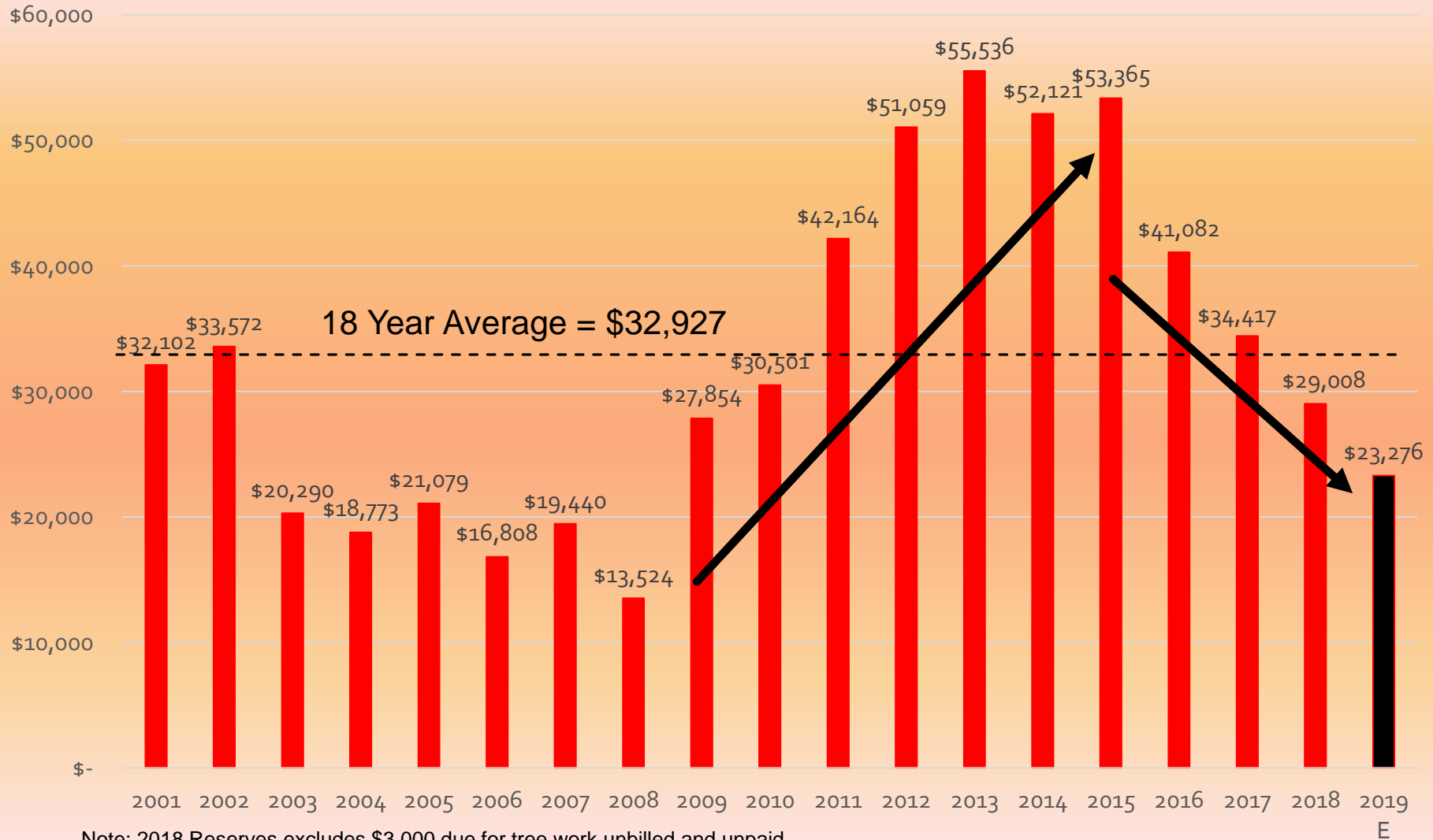
# Reserve growth: Too Fast, Too Slow, Just Right?

- Net income adds to reserves while capital expenditure depletes them; striking a balance requires adjustments from time-to-time.
- With increased expenses and the island renovations reserves have been declining.
- Dues increase in 2017 from \$118.75 to \$125.00 per quarter helped (increase was offset by ML dues decrease netting a total reduction of \$2.25 in dues)

# Reserve growth: Too Fast, Too Slow, Just Right?

- To further help alleviate the decline in reserves in 2018 Grounds Expense reverted to a prior allocation split of 85/15 between HV and ML.
- Recommend Weed Control have same 85/15 split in 2019.
- Recommend increasing dues \$35 per quarter to \$160 from \$125 (offset by \$10 ML dues decrease for net \$25 increase)

# Highland View Reserve Balances



# Forecast Reserve Balance

- Anticipate reserves returning to 2017 levels in three years based on the proposed dues increase and following assumptions.

YE 2018 Reserves	29,008
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2019 Budget Operating Cash Flow	11,518
Less: Budgeted Reserves	(17,250)
2019 Ending Reserves	<u>23,276</u>

18 Year Average  
Reserves = \$32,927

2020 Budget Operating Cash Flow	11,518
Less: 1 Island Renovation	(5,750)
Less: Other Reserves	<u>(3,000)</u>
2020 Ending Reserves	26,044

2021 Budget Operating Cash Flow	11,518
Less: Other Reserves	<u>(3,000)</u> - No island renovation required
2021 Ending Reserves	34,562

# Comparable HOA Dues

- Dues per home are highly dependent on the number of homes in a neighborhood. Less variable is the cost to manage a neighborhood.

<i>Property</i>	<i># Lots</i>	<i>Pool</i>	<i>Tennis Courts</i>	<i>Other Amenities</i>	<i>Quarterly Dues</i>	<i>Annual Budget</i>
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## *Dues Without a Pool*

GlenEllen	66	N	N	Trail/Pond	\$255	\$67,320
Holly Tree Farms	66	N	N	N/A	\$125	\$33,000
Foxland Hall	131	N	Y	Playground	\$105	\$55,020
River Oaks	310	N	N		\$50	\$62,000
McGavock Farms	191	N	N	Walking trails, lake	\$105	\$80,220
Lenox Park	40	N	N	Retaining Pond	\$283	\$45,280
	134			Average of Comps	\$154	\$57,140
	81			Highland View Proposed	\$160	\$51,840

<i>Property</i>	<i># Lots</i>	<i>Pool</i>	<i>Tennis Courts</i>	<i>Other Amenities</i>	<i>Quarterly Dues</i>	<i>Annual Budget</i>
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## *Dues With a Pool*

Cheswicke Farm	152	Y	N	N/A	\$110	\$66,880
Mooreland Estates II	105	Y	N	Pond, Some bldg maintenance	\$750	\$315,000
Chestnut Bend	168	Y	N	Gazebo	\$195	\$131,040
Windstone	108	Y	N	Gated, Clubhouse	\$550	\$237,600
Wildwood	Swim and Tennis Club			\$1,000 initiation	\$285	\$1,140 / year
	133			Avg. Excl Wildwood	\$401	\$187,630
	107			HV / ML Proposed	\$235	\$83,940

Note: Quarterly dues are for HV residents with combined HV and ML dues.



# New Business – Election of New Officers

- Existing officers
  - President-elect, Jay Hollis
  - Treasurer-elect, Ronnie Martin
  - Terms ending (Doug Owen, Farley Reardon, Craig Mockmore)
- Nominations and elections
  - One three year Board Member
  - Two one-year Board Members

# Committee Signups

- Grounds
- Architecture
- Social
- Trail

# Adjourn