

# Hiller Highlands Four Association

Quarterly Newsletter

Fourth Quarter 2007

30 Schooner Hill

Oakland, CA 94618

Hiller Highlands Four Bulletin is published quarterly

## 2008 Regular Assessments Increase

The Board of Directors has voted to increase our quarterly assessments to \$385 per quarter.

This modest 2.7% increase is necessary to meet increased budgetary costs for energy, water, and legal obligations of the Association.

The new assessments take effect January 1, 2008.

Homeowners who have direct deposit in place will automatically have the new amount deducted. Homeowners who send checks to First Bank will need to pay the new amount.

To ensure that all homeowners have current payment information, we are attaching payment coupons. Many homeowners have automatic payment plans in place. If you have such a plan, you will not need to submit these coupons with a payment. If you do not have an automatic payment plan and would like to set one up, please fill out the attached form and mail it to:

### **FIRST BANK INFORMATION (NEED TO INCLUDE)**

## 2008 Pro Forma Budget

The Table on Page 3 shows the 2007 and 2008 budgets for comparative purposes. We anticipate increased costs for some, but not all, budget items.

The Figure on Page 4 shows a roll-up of the budget categories for ease of

Here is an item-by-item breakdown of the budget.

### ***General - Increase of \$1,200 (150%)***

Includes website costs, software costs, such as QuickBooks updates, and anticipated training on QuickBooks. Training is required as the Association is required by law

to shift from a cash-based accounting to an accrual-based accounting system.

### ***Events - Decrease of \$200 (14%)***

Covers the Annual Meeting food and beverage and the Fall Social food and beverage.

### ***Copies and Postage - No Change***

Covers the costs of printing, copying, and mailing of the Election Ballots, the Quarterly Bulletins, and sundry items needed to conduct Association business.

### ***Memberships - Increase of \$130 (13%)***

Covers the cost of the Association membership in the Executive Council of Home Owners (ECHO), a professional organization that keeps current on California Laws related to HOAs. The Association benefits greatly from this membership through their monthly magazine, email updates on legislation, and their annual meeting. California may pass a law requiring Board members to complete training, so there is some contingency built in to this budget item. This item also covers a donation to the Citizens of Oakland Respond to Emergencies (CORE), which provides free training and community relations for cooperative emergency response.

### ***Insurance - No change***

Covers the costs of Commercial Crime/Fidelity Bond, Commercial General Liability, Commercial Property, Directors and Officers, Umbrella Excess Liability, and Workman's Compensation insurance. For more detail on the coverage amounts and periods, please see the attached Statement of Insurance Coverages.

### ***Legal - Increase of \$1,500 (300%)***

The California Legislature continues to amend the Davis-Stirling Act, which governs the legal aspects of Homeowner Associations. As a result, the Board of Directors needed to have Association documents reviewed and updated to ensure compliance with current law. We anticipate that these changes in law will continue to increase in frequency. As a result, we expect to have annual complete review of all of our governing documents.

***Accounting & Reserve Study Update - \$200 decrease (7%)***

This covers an anticipated increase in the cost of our accounting, due to the shift to an accrual-based accounting system. This is only partially offset by the lack of a reserve study analysis, which is performed every three years, and was completed in 2007. Please see the Third Quarter Bulletin for a complete analysis of the 2007 Reserve study.

***Taxes and Filing fees – Increase of \$1,300 (87%)***

Covers an increase in both the taxes on the interest from our Reserves and the increase in filing fees.

***Infrastructure – Decrease of \$1,500 (60%)***

Reflects an expectation that no new retaining walls, light standards, or drains will be installed.

***Landscape maintenance service – Increase of \$2,490 (5%)***

Reflects a modest increase in plant replacement costs and labor costs due to increased energy costs for the service provider. This is the Association's single biggest budget item. In 2006, the Board solicited competitive bids from three service providers for our landscaping needs. Our long-term provider, Cleary Brothers, was the least expensive. The long-term continuity with the landscaping and tight collaboration with our Landscape Committee has resulted in our beautiful landscaping. Together, they work to keep annual increases in this category to a minimum.

***Landscape Improvements – No change (see text)***

At first glance, this item would appear to be reduced by \$8,000, relative to 2007. However, we chose to defer several improvement projects into 2008, resulting in an \$8,000 surplus for this item in the 2007 budget. We will be asking the Association to roll that amount over into the 2008 budget, as we have done in the past.

***Irrigation System Repair – Increase of \$1,000 (25%)***

Our irrigation system is now over 10 years old. Upkeep of the system is required to be paid out of the Operat-

ing Budget, with the exception of the controller unit, which was replaced recently and paid for out of the Reserves. Constant trampling by deer, chewing by rodents, and exposure to the elements all contribute to system deterioration. As the system ages, more and more parts will need to be replaced or repaired. We anticipate that future budgets will also reflect increases.

***Mulch – No change***

Annual application of mulch helps the Association landscaping in a number of ways. First, it protects the root systems of our plants, reducing replacement costs. It adds nutrients to the soil as it decomposes. It slows the erosion of our sometimes very thin topsoil. It helps prevent weeds, reducing the labor costs of manually weeding our landscape beds. It also helps reduce the costs of watering the landscaping as it holds moisture quite well. Typically, only ½ of our landscaping is mulched each year, in alternating applications.

***Street Lighting – No Change***

Covers the costs to keep the street lights on at night, the electricity for the irrigation system, and the cost of replacement bulbs and sensors for the light standards.

***Irrigation/water – Increase \$1,000 (10%)***

Reflects and anticipated increase in the cost of our landscaping irrigation. This includes annual required testing and reporting of our backflow relief valves and regulators by an EBMUD-certified testing agency.

***Architectural Control Committee – Decrease of \$300 (75%)***

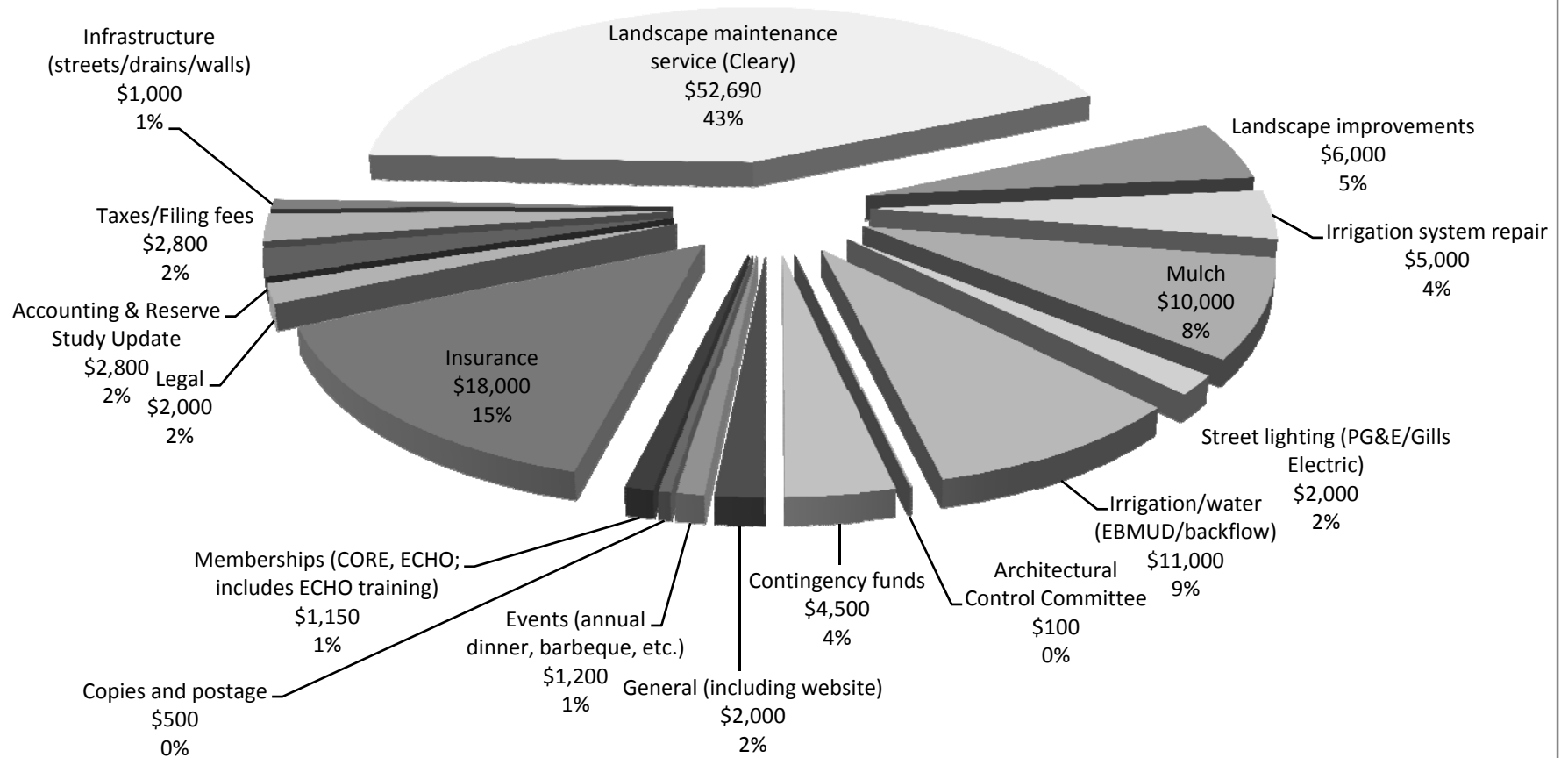
Paint for paint chips was purchased, but will not be needed in 2008.

***Contingency Funds – New Budget Item (\$4,500)***

The shift to an accrual accounting system requires us to include a contingency budget item. Previously, the Board was able to shift costs from one item to another as the year progressed. This item is a modest 3.5% of the total budget. Any budget surplus at year-end 2008 will most likely be deposited into our Reserve Accounts.

<b>Budget Item</b>	<b>Budget 2007</b>	<b>Budget 2008</b>
General (including website)	\$800	\$2,000
Events (annual dinner, barbeque, etc.)	\$1,400	\$1,200
Copies and postage	\$500	\$500
Memberships (CORE, ECHO; ECHO training)	\$1,020	\$1,150
Insurance	\$18,000	\$18,000
Legal	\$500	\$2,000
Accounting & Reserve Study Update	\$3,000	\$2,800
Taxes/Filing fees	\$1,500	\$2,800
Infrastructure (streets/drains/walls)	\$2,500	\$1,000
Landscape maintenance service (Cleary)	\$50,200	\$52,690
Landscape improvements	\$14,000	\$6,000
Irrigation system repair	\$4,000	\$5,000
Mulch	\$10,000	\$10,000
Street lighting (PG&E/Gills Electric)	\$2,000	\$2,000
Irrigation/water (EBMUD/backflow)	\$10,000	\$11,000
Architectural Control Committee	\$400	\$100
Contingency funds	\$0	\$4,500
<b>Total Operating Expense</b>	<b>\$119,820</b>	<b>\$122,740</b>
<b>Per household quarterly assessment</b>	<b>\$374</b>	<b>\$385</b>

## Budget 2008



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## Fall Social

The Hiller Highlands Four Association's Annual Fall Social was held on Sunday, September 30<sup>th</sup>. The Brunch was well attended, good food was served, and Gordon Seligson was awarded the "Order of the Petunia" for his efforts to make our neighborhood a pretty and pleasant place to live.

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## 2008 Board Meeting Dates

The time and location of the 2008 Board of Directors meetings have not been confirmed. Generally, the Board meets on the 3<sup>rd</sup> Wednesday of the odd-numbered months (Jan, Mar, May, etc.) Please contact Pauly Langguth for the location.

The Board of Directors meetings are open to all residents of Hiller Highlands Four Association. Please note that California law requires that some types of business will occasionally need to be conducted in Executive closed sessions.

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## New Delinquent Assessment Collection Policy Statement

State Laws related to Homeowners Associations continue to change rapidly. As a result, the Hiller Highlands Four Association has requested Legal Review of our Association Governing Documents.

The Board has adopted a modified Delinquent Assessment Collection Policy Statement that reflects current law. We continue to have a few homeowners who are delinquent in payment of their Regular Assessments (due in advance on the 1<sup>st</sup> day of each quarter). This new policy statement makes clear the legal ramifications of delinquent payments.

***This is a legally binding policy statement. Please read it very carefully to ensure compliance.***

## Distribution of Association Documents

State Law requires that Homeowners Associations distribute a number of Association governing documents. Please find attached a number of documents for easy reference. These are:

Document	Effective Date
Statement of Insurance Coverages	October 2007
Schedule of Monetary Fines	September 2004
Delinquent Assessment Collection Policy Statement	October 2007
Bylaws and Bylaws Amendments	Adopted 2001 Amended 2007
Rules and Regulations	
Architectural	September 2004
Landscaping	September 2004
Parking	September 2004
Pets	September 2004
Voting & Elections	May 2007

## Selling your home?

Please contact Pauly Langguth if you are considering selling your home or refinancing.



Selling a home in our Association requires us to deliver certain documents to the realtor and title company. Providing us with notice of sales and refinancing of a mortgage will allow us to prepare all the documentation required and will speed responses to realtor's queries. We have also ensured that most of the documentation required by realtors can be found on the HHIV website at <http://www.hhiv.org>.

## Renting your home?

Please contact Pauly Langguth if you are considering renting your home. We would like to ensure we have the proper contact information for any Association documents, such as these quarterly letters. We need to have the names and contact information of the residents to both welcome them into the neighborhood and in the case we need to contact them. If you are



using a rental service, we will require their contact information.

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## **Registered and Certified Mail?**



The US Postal Service rules make it extremely difficult for us to retrieve registered or certified mail or packages sent to the 30 Schooner Hill address. Of course, we understand the need for documentation of delivery and want to ensure timely receipt of these documents.

Please contact Pauly Langguth or another Board Member if you plan on sending a certified letter so that we can make arrangements to receive important documentation in a timely manner.

## **Volunteers**

The Hiller Four Association is run entirely by volunteers who dedicate their time to maintaining our neighborhood for owners, residents, and visitors. Please contact any Board member if you would like to volunteer in support of your neighborhood.

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sixch@ix.netcom.com  
510-845-1216

## Association Contact Numbers Board of Directors

### **President**

David Spellmeyer (23 SH)  
dspellmeyer@mac.com  
510-883-1951

### **Secretary**

Pauly Langguth (3 CC)  
pl2gs@sbcglobal.net  
510-549-9081

### **Treasurer**

Bob Kuzma (7 CC)  
robbil32@pacbell.net  
510-981-1445

### **Vice President**

Tom Kremen (63 SH)  
tkremen@yahoo.com  
510-666-8899

### **Vice President**

Dick Saalfeld (5 CC)  
dsaalfeld@sbcglobal.net  
510-843-1088

## Committees

### **Architectural Control Committee**

#### **Chair**

George Innes (2 CH)  
gainnes@wellsfargo.com  
510-486-1902

#### **Members**

Bob Kuzma (7 CC), David Spellmeyer (23 SH), Keith Beckwith (14 SH), Helen Marshall (1 CH), Susan Tianen (4 CH)

### **Landscape Committee**

#### **Chair**

Barbara Schindler (1 SH)  
510-841-7753

### **Streets and Lights Committee**

#### **Chair**

Gordon Seligson (6 CH)

### **Parking Committee**

#### **Chair**

Dick Saalfeld (5 CC)  
dsaalfeld@sbcglobal.net  
510-843-1088

### **CORE – Citizens of Oakland Respond to Emergencies**

#### **Representative**

Helen Marshall (1 CH)  
510-704-0500  
helen.bayareahomes@gmail.com

### **Welcome Committee**

Gary Dougan (17 CC)  
510-841-1552

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## www.hhiv.org

Our website can be accessed to obtain Board of Directors meeting dates, agenda, minutes, past quarterly newsletters, the current rules and regulations, insurance coverage, and CC&Rs.

*Hiller Highlands Four Association is a Planned Unit Development ("PUD"), which operates under the provisions of California's Davis Stirling Act. An elected Board of Directors is responsible for operation of the Association, including enforcement of the various rules and regulations that are part of a PUD. Each owner and resident has been provided a "Hiller Four Info" binder with the current rules and regulations, if you are missing the binder or are not sure if the contents are current, contact the Secretary.*