

**Hiller Highlands Four Association
Board Meeting
Wednesday, July 16, 2014
Highlands Country Club**

The meeting was called to order at 7:00 p.m. by President Robert Farwell. Board members present were Julie Petrini, Vice President; Walter Schindler, Treasurer; and Kathy Anderson, Secretary. Committee chairs present were Pauly Langguth, CORE and Neighborhood Watch; Janet Saalfeld, Welcome; Barbara Schindler, Landscaping; and David Spellmeyer, Architecture. Max Kozlov, a member of the HHIV Association also attended.

The minutes of the March 19, 2014 Board meeting were accepted and approved with the following written clarification: Term limits for BOD members and officers shall be 3 consecutive 2 year terms (6 years of elected office maximum), excluding partial term appointments.

Old Business

Regarding the CC&R re-write, Walter Schindler and Robert Farwell will meet with Bob Kuzma, Steve Coiteux and Pauly Langguth to discuss the attorney's suggested alternatives and to give a list of changes to the attorney. Action was tabled until the next meeting.

Treasurer's Report

There was extensive discussion of possible investment alternatives for the reserve funds. The principal issue was how best to maximize the reserve returns versus the amount of acceptable risk in order to improve the return. Walter Schindler, with the help of Max Kozlov, presented a comparison of alternative investments to the traditional CD we have always used, including high quality corporate bond funds. Despite the higher interest rate attainable in the various corporate bond funds compared, few, if any, HOAs place reserves in other than an insured account due to perceived risk and Board liability issues. The Board was therefore reluctant to pursue alternatives to CDs.

There was agreement that aligning the reserve needs with the CD term length was acceptable. Since none of the reserve requirements comes due over the next 10 years, a portion of the reserves could be placed into "brokered" CDs with up to a 10 year term. These "brokered" CDs, which are purchased through a bank and are also FDIC insured, pay a substantially higher return than that attainable from bank CDs. However, early withdrawal requires a market sale, which exposes them to interest rate risk. In order to limit the interest rate risk exposure, shorter term bank CDs could also be used for a portion of the reserves to allow greater flexibility and lower interest rate risk inherent in longer term CDs. The shorter maturity limits the amount of interest rate risk exposure. Further, a bank CD has a nominal penalty for early withdrawal, which might allow for the ability to re-invest at a higher rate should interest rates increase substantially (and more than recover the early withdrawal penalty). Walter will investigate the CD alternative available, and based on the results of his investigation, make the final investment decision jointly with Robert Farwell.

Welcome

It was suggested that at the next Annual Meeting and at the Fall Social a special effort should be made to welcome all new Hiller IV residents and to introduce them formally.

Janet Saalfeld reported that one house has sold, one house has now been taken off the market, and one house is for sale. She reminded the board that a date for the fall social must be set and a volunteer is needed to chair the event.

Architecture

David Spellmeyer reported that all members who received letters regarding repair to their homes have taken care of the problems. The committee will perform the yearly walk through in August.

Fire department notices regarding compliance of vegetation around properties have been delivered to all homes. The fire department is looking into the possibility of giving all notices to one person in the association instead of delivering them individually to each home. Any action items received by individual homeowners should be forwarded to Barbara Schindler, Landscaping, by placing in the HOA mailbox.

CORE and Neighborhood Watch

HHIV participated in the April 26th city wide CORE exercises. Pauly Langguth recently held CORE I and II training classes in her home. She urged participants to take CORE III on their own. Pauly Langguth will hold additional CORE I and II training sessions in the fall as well as a session on instruction for the use of radios. She also indicated that there will be expenses for cartons of water pouches and heavy-duty plastic bags to go in the Emergency Boxes. Two CPR classes have been scheduled. The first class will be held September 6th at the fire department and the second on November 8th at the 51st Street site. A notice will go out to residents.

The HHIV Roster was distributed the first week of June and the next one will be distributed in early December.

Parking

There was a short discussion about expanding the guest parking to include two spaces on the curve past 72 SH. Due to potential safety concerns as well as the fact that these spaces are very close to the back of the units along Charring Cross, it was decided to table the issue.

Streets and Lights

Everything is good shape; nothing to report at this time.

Landscaping

Barbara Schindler stated that most of the work being done now is routine maintenance. Our water use is lower than last year with newly planted items using more water and established plants receiving less water. She also informed the Board that the retaining wall at 18 SH that was no longer functional has been replaced.

New Business

As a result of a presentation made in May 2014 by Neighborhood Guard, a non-profit entity founded to encourage installation of affordable security cameras in Oakland neighborhoods, there was an extensive discussion regarding the possible implementation of security cameras for HHIV. There were privacy issues raised and a request by Board members for more information on the cost and implementation. The matter was tabled, awaiting a more detailed discussion on system operation/access, cost and privacy concerns.

The meeting was adjourned at 8:50 p.m.

Respectfully submitted,

Kathy Anderson
Secretary