

**Highlands Board of Directors Monthly Meeting Minutes  
August 10th, 2022, at 6:30 PM Zoom Conference Call  
Approved Minutes**

1. **Call to order – (Claudia): 6:30 pm**
  - a. Board Members Present (quorum): Wayne, Claudia, Sue. Absent: Lisa
  - b. Units present: 208, 155, 316, 424, 105, 427, 315, 205, 109, 308. 403, 316, 425, 216, 426, 206, 115, 314, 127, 153
  - c. Proof of Notice of Meeting or Waiver of Notice
  
2. **Approval of Minutes (July 13th)**

**Motioned by Wayne, seconded by Sue  
Approved without changes (unanimous).**
  
3. a. **Filling vacant board positions**

Elizabeth has resigned from the board – Thank you for your service  
The board unanimously voted for Paula to fill the open position.
  
3. b. **Officer positions.**

The board unanimously voted for Paula to serve as the new treasurer.
  
4. **Officer, Property Manager, and Committee Reports**
  - a. **Finance/Treasurer (Claudia for Lisa)**
    - i. June Financials – no questions
    - ii. Online banking/account access/signing authority –  
New treasurer will be added to State Corporation Documents.  
Follow-up at future meeting to assign/reassign US bank signatures.
    - iii. Accounts receivable past due – one account being reviewed by our attorney for non-payment over 30 days.
    - iv. Renewal of SAIF insurance policy (expires 9/1/2022)  
The new policy has been received (\$1,482.32 (up less than \$100 from last year))  
Claudia will renew.
    - v. Directors and Officers Liability Insurance (expires 10/26/2022):  
\$3,249 (up about \$200 from last year)  
**Motion by Sue, seconded by Paula to have Claudia pay bill – Motion passed unanimously.**

Claudia received the engagement letter from Michael Rice to do the annual (2021) financial review  
**Motion by Sue, seconded by Wayne to continue with Michael Rice - Motion passed unanimously.**
  
  - b. **Financial Committee (report submitted by Paula):**

The Finance Committee met on 7/28/22 with Paula, Sandi & Susan attending. We reviewed a preliminary budget and were unable to find any fat to trim, but will continue to review it for

the next couple of weeks anyway. We are looking carefully at the insurance costs, as well as the 10-year-plan, since those are the biggest items on the budget.

We will continue to consider our options financially, but can already see that the association has been underfunded for several years. This situation must be addressed to continue to operate, as well as to safely maintain the buildings and grounds.

We thought it would be helpful to breakdown the dues so everyone can see where their dues go each month. I am including this breakdown here:

CIP**underfunded	88.15	Pest Control** new cost coming	1.58
Insurance	63.41	Maint. Garage	1.09
TV Cable	42.87	Answering Service	0.85
Utilities - Sewer	34.07	Mileage:Employees	0.63
Wages - Maintenance	28.39	Office Expense	0.63
Utilities - Electrical	21.57	Licenses	0.45
Utilities - Water	18.49	Landscaping	0.32
Wages - Managers	16.05	Repairs - Pool	0.32
Repairs & Maint	12.62	Bank Fees	0.19
Accounting	11.01	Taxes	0.14
Trash Removal	10.82	Fees	0.09
Payroll Taxes	5.05	Contract Services	0.03
Maint. Trees	4.42		
Legal Fees	3.79		

This breakdown used an average of the Flat dues and the Townhouse dues for simplicity sake, rather than have a different chart for Flat and Townhouse. Most differences between the two are minimal, well below a dollar, so this simplification did not seem to misrepresent.

Note that TV cable includes internet access as well. These figures also use the historical cost of pest control which will rise this year, but the amount of the increase is still getting determined by bids.

These monthly operating expenses are based on 2022 budget expectations except the CIP - what I've been calling the larger repair & maintenance projects, such as roofing. The CIP figure was calculated as what would be left over from the dues after the regular operating expenses were paid. I noted this is underfunded because it is smaller than the planned projects for 2022 (that difference will be covered by the funds in the reserve account). A more realistic number would be closer to \$130 instead of \$88.15 just to squeak past most projects on the horizon. That does not include the walkways project, nor does it begin to restore the reserve account to a healthy level.

Thank you for your attention, and the Finance Committee assures you that we will have a recommendation report of the budget and 10-year-plan for the board in September.

Discussed at meeting:

The Highlands has been underfunded for years:

Regular dues are insufficient to keep up with expenses

Ongoing projects (Capital Improvement) are not fully funded (due to costs and inflation)

Both fee increases and special assessments will be considered for additional funds

c. Property Manager (**Mark**)

i. *Pest Bids:*

Swansons will no longer do twice a year – wants to switch to monthly and include interior (5 a month): \$1,100 a month plus \$300 service charge. Currently we are paying \$2,500 a year this would increase to \$16,800.

Ultimate Pest Control – two different types of treatment: (twice a year (Spring and Fall) is \$2,495 each time (\$4,990.00 a year). Quarterly is \$7,280 a year

Good Earth will spray twice a year for \$4,100 (\$8,200 a year)

**Motion by Wayne seconded by Sue: Hire Ultimate Pest at \$2,500 twice a year - Motion passed unanimously.**

ii. *Walkway bids & Engineer report*

A Special Meeting will be called for this on August 31st

Both Brigham Construction & Ryan Thomas Construction agree that the Woodcutter building needs to be re-engineered

401-408 walkway bids:

Brigham estimated \$50,000 (needed to talk to project manager)

Glenn Hughey Homes estimated \$11,500

Ryan Thomas estimated \$44,000

Discussion to get started on the Walkways project and hire an engineer for Woodcutter

**Motion by Wayne seconded by Sue: Property Manager to identify an engineer and get a study at the cost of not more than \$3,000 for both Woodcutter buildings - Motion passed unanimously.**

**Motion by Sue seconded by Paula: Motion to continue work on steps up to \$5,000 - Motion passed unanimously.**

iii. *Engineer report update*

Building 14 did not have any issues; therefore no report was produced.

Bulkheads were assessed – none deemed severe – the amount of soil they hold back is not critical – main thing is to get more vegetation growing.

A Special Meeting will be called for this on August 31<sup>st</sup> – reports are finalized and will be sent out prior to meeting

d. Security Gate Committee Update (**Susan F, chair**):

Did not get an estimate for cameras – will have them next month. Researching other individual options

Costs are high – gate may not be an option at this point due to other funding priorities

e. Emergency Preparedness Committee Update

Tasks:

Evacuation policy  
Fuel reduction

Hose bibs/hoses at back of buildings  
Manualization of procedures

Committee is still meeting but as a work group (not HOA affiliated)

Fuel reduction will be folded into the beautification committee

Some hose bibs have been de-commissioned – hoses cost around \$50.00 (maybe the finance committee can fold that into the budget). Claudia emailing cost estimates to Paula

f. **Beautification Committee Update (report submitted by Claudia):**

- Assisted with weed removal around buildings to decrease fire hazard due to dry vegetation
- Watering intensified during hot weather
- Had informal conversations with maintenance staff regarding further reducing fuel load (front lawn area)

**5. Unfinished business**

- a. Newsletter (**SueS & Wayne**): Updates next month
- b. Website (**Wayne**): Project put on hold
- c. Spring walk-through (**Wayne**)  
Beautification committee will work with plant owners to protect decks, etc.  
30-day notice for painting that needs to be done (doors and ducts) will be sent out  
Biggest problem is lower deck and entryway storage – safety is main issue. 30-day notices will be sent out.
- d. Air conditioning in Rec Center (**Elizabeth**): No updates
- d. Board member manual (**Claudia**): Outline done –updates next month

**6. New business**

Speed limit enforcement:

Speed limit is 20mph – we have no signs – Claudia looking into signs

**7. Community open forum (items not on agenda)**

Please follow communication flow-chart (send all email to [Highlands97405@gmail.com](mailto:Highlands97405@gmail.com))

Reminder that laundry keys are required for changing rooms not bathrooms

Reminder that owners need to call in break-ins

All request to reactivate proxcards still need to go to the Property Manager

Noise complaint for electric guitars – Chair sending out notice

One resident noted that a company may be able to run gigabit fiber to the Highlands

Mark E and Mark C working on digitizing blueprints

**8. Next board meeting: Wednesday August 31<sup>st</sup> (Special), Wednesday September 14<sup>th</sup> (Monthly) 6:30p (Zoom)**

**9. Meeting adjourned: (8:50 pm)**