

COV – HMDAC November 2, 2021 Meeting Minutes

Present on the November 2, 2021 call for the City were Rick Navarro, Jason Lacey and James Olson, and **for HMDAC**, Byrne Conley and Laurie Foster.

- We talked about the HMD budget, reviewing the City’s FY 21-22 proposed budget from the City website. HMD collects \$821K in assessments from homeowners. \$389K is spent on contracts for landscape maintenance and security guards. \$55K is set aside for “rehabilitation/vandalism” essentially for unscheduled repairs on an as needed basis. \$97K is set aside for utilities, chiefly water for landscaping, and a minor amount for phone and electricity. There is no entry for \$300K for capital improvements as there was in past budgets, as HID will fund the Parkway capital project. \$133K is allocated to Public Works for overhead, and \$12K for engineer’s fees and the County’s fees for tax collection. Total expenditures are \$688K with “net annual activity” (i.e., surplus from operations) \$167K. The total rehabilitation reserve is \$3.3 million.
- We raised all this because thought should be given to lowering the HMD assessments next year. If we collected \$100 per home less it would reduce revenue by about \$110K, but the HMD would still be operating “in the black.” Laurie thought a \$100 savings might be of less benefit to homeowners than spending the surplus on improvements.
- We questioned whether the contract prices had to be adjusted upward, but Jason indicated that they covered the anticipated increases in the Allied Security and landscape maintenance contracts.
- Jason’s argument is that the rehabilitation reserve has to be maintained for unforeseen events such as earth movement and perhaps cost in connection with St. John’s Mine Road. Byrne noted that this same argument raised when we questioned the surplus in the HID bond fund account. It seems that reserves are being maintained in both funds for the same purpose. We would like to see a fair estimate of expected costs for road resurfacing, and any anticipated projects or contingent costs, and a determination of just how much is reasonably needed in the HMD and HID funds when looked at together. This is similar to what homeowners’ associations are required to do in planning funding.
- Jason indicated this is a good topic for discussion in February when initial work on next year’s budget is being done for the Engineer’s Report (which in turn comes out each April.) He noted that similar reserves in other LMDs, and in the case of the Northeast Quadrant, \$3.8 million is retained and he thinks that LMD may be underfunded considering work that is needed there.
- We also looked at HID funding, which includes \$2.347 million that is already being held in a capital account and another \$2.388 million in undesignated, available funds, all over and above a reserve of an entire year’s payment on bonds and another \$1 million held as a “delinquency maintenance reserve” per bond requirements. The amount being held in

the capital account will be enough to pay for the Parkway project without drawing down HMD funds at all.

- Rick Navarro indicates that the drawings for the Parkway Project were at the 35% completed stage and the 65% completed submittal will be received by the end of December. Basically all design issues have to be decided when the 65% version is reviewed and approved; the last percent is for more technical fine points. The 95% plans are expected by February 18, 2022. 100% by March 20, 2022. Bids to open April 12, 2022.
- We discussed the area on either side of Bennington after the intersection just beyond the Welcome Center, coming inbound. The median was upgraded a couple of years ago, and looks nice; as one drives down Bennington, the left side in front of the golf course looks pretty good for a stretch, then there is a long section where gross neglect by LandCare caused most of the plants to die, and they have been removed by New Image. And on the right side, essentially there is no landscaping any more, just many, many irrigation heads with white caps where the area had been previously heavily landscaped. The consensus of both City and HMDAC is that we should leave the Parkway project “as is” and not extend it to the area beyond the intersection, but instead fill the area later, using the template of plants approved for the Parkway project. The planting can be performed by the landscape maintenance contractor. James indicated that he wants to determine just what is working of the irrigation laterals that are now capped off, noting that some of them may have been two to a plant; we all agreed that the area on the right does not need dense landscaping, but it would be nice to add some color and hopefully drought resistant succulent type plants might refresh the area without over-landscaping it or creating too much future maintenance work.
- Re the Welcome Center, the first two low bidders could not meet the City’s bonding and insurance requirements, and the third bidder backed out. The fourth high bidder was at almost double the low bidder price (\$58K vs. \$113K.) The City Attorney approved letting Public Works solicit a bid from a contractor that works for the Housing Authority, that has already met all insurance requirements, and Rick expects that bid by Friday, 11/5/2021.
- Jason passed on to Captain Potts at VPD our assent to HMD contributing to the Flock license plate reader cameras. He does not know yet when VPD will have those installed.
- Jason indicated the City as about to launch a project with “Arbor Pro” in which a tree inventory is taken City wide, including trees in City right of ways, parks, LMDs, etc. It is funded by a CalFire grant of \$500K. It will include HMD. It starts in November and will take 6 months to complete.
- **Because we are in a waiting period on the Parkway plans, our next Zoom call was set for January 11, 2022 at 10 a.m.** When the 65% plans come in, Rick will send them to us for comment. He will need comments back within two weeks of receipt, which we assured him would be no problem. We have already met with the architect multiple times and walked the Parkway with the architect; he is already incorporating substantial input from our Committee.