

1600 Hamilton Place Annual
Owner's Meeting
March 14, 2017

President's Report

Agenda

- 2016 Financials
 - Actuals 2016
 - 2017 Budget changes
- 2016 Accomplishments
- 2017 Challenges/Goals/Projects
 - Infrastructure & Maintenance
 - Architecture
 - Landscape
 - Other
- Homeowner Questions/Comments

2016 Financials

- 2016 Year-end net \$40k over budget. Includes (-\$80k) accounting change for overdue accounts and (+\$40k) pre-paid assessments.
- 2017 Budget approved approximately 3.8% more than 2016.
- 2017 Budget increase \$4.5k/month:
 - Add \$1k per month for water
 - Add \$1k landscaping & sprinkler upgrades to accelerate water reduction efforts
 - Add \$.5k General repair
 - Add \$3k to General Reserves for aging infrastructure (balcony repair, pipe repair, etc.)
 - Subtract \$1k earthquake insurance premiums.

2016 Major Accomplishments: Infrastructure

- Items **completed** as proposed in 2016 Plan:
 - Painted buildings & pool/patio fences & tennis court benches. Donovan/Foxhall
 - Performed routine maintenance: asphalt, roofs, plumbing, etc.
- Items **deferred** from 2016 :
 - Foxhall Tennis court resurfacing (deemed by frequent users to still be in good repair.)
 - Foxhall Pool resurfacing

2016 Major Accomplishments: Other (1 of 2)

- Proactive monitoring water usage/bills
 - Created online SJWC profile and created spreadsheet to track monthly usage/billing for 26 Accounts
 - Identified 40 water meters to respective account numbers
 - Mapped locations of 40 water meters on property
 - Spent 6 hours with SJWC auditor to map water meters to each of 38 buildings to enable quicker diagnosis/repair of leaks.
 - Used billing trend analysis and mapping information to pro-actively identify a meter running 10x normal, costing \$5k/month—discovered and fixed leak before visible on surface.

2016 Major Accomplishments: Other (2 of 2)

- Hired new garbage service to redistribute waste & clean dumpster enclosures, reducing GreenTeam truck cost/noise
 - Savings \$1700 month
- Created electric schematic for power to un-attached garages for quicker repair
- Created condensed “Top 10” rules list for homeowners to avoid fines/towing
- Created New rule: Only 1 vehicle per household in open parking space at time

2016 Unplanned Accomplishments :

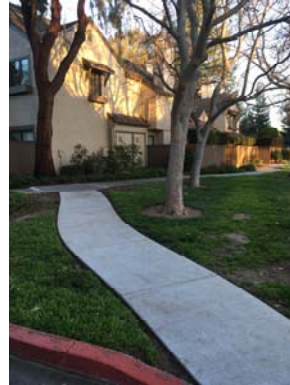
High Aesthetic value, Low cost:

- New concrete walkway to reduce wear on grass. Entrance Greenwich Court/Hamilton Place Circle. Cost – \$1750

Before



After



2017 Major Projects Capital Plan (Cont.):

- Replace globe lamps due to age & repair costs (Originally Budgeted \$160k)
- Painting additional buildings
- Resurfacing asphalt
- Tennis court windscreen
 - Foxhall—threadbare, unsightly - ripped and dragging

2017 Vision

- Maintain competitive HOA fees
- Maintain infrastructure and aesthetics
- More proactive approach to cost tracking and cost reduction/avoidance

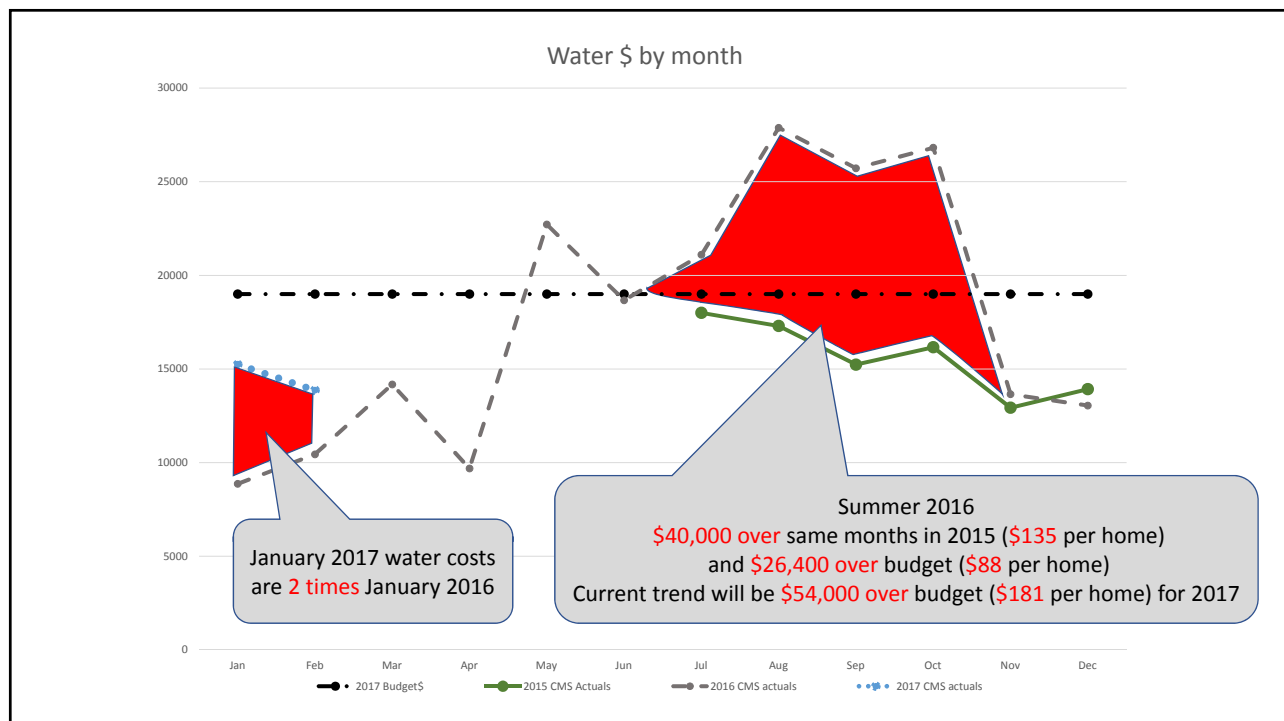
2017 Vision: Challenges (1 of 2)

- Escalating HOA fees at high-range of comparable complexes
- Aging infrastructure (more pipes breaking, balcony repairs.)
 - Jan 2017 Plumbing cost more than all 2016.
- *Escalating water costs*

2017 Vision: Challenges (2 of 2)

Escalating water costs

- **Expect \$54,000 water overrun in 2017 (\$181 per home) if we maintain status quo (i.e. do nothing)**
- **If SJWC raises rate another 5%=\$63,000 (\$213) per home), 15%=\$85,000 (\$284 per home)**
 - Jul-Dec 2016 water bill avg= \$6,000/month more than Jan-Jun 2016
 - Jan 2017 water bill = 2x Jan 2016.
 - SJWC rate increase 28% July 2016. Another 5% January 2017
 - More increases requested by SJWC. (source jwaterfacts.weebly.com)
 - Summer 2016 (Jul-Sep) Landscape **water usage 52% higher** than same months in 2015 due to going back to watering 3x per week when restriction lifted that limited irrigation to 2x week



Recommendations:

- Target landscape water usage reduction more in line with SJWC allocation
 - Reduce watering from 3x week to 2x week in peak Summer months to **save \$20,000**
 - Continue turning irrigation off in rainy season when no rain for 1-2 weeks
- Consider additional sprinkler upgrades
- Proactively monitor water bills for trends to identify leaks before visible
- Educate homeowner's how to spot leaks.