



# HILLCREST

## AT SAFFOLD WAY

2018 Annual Meeting

Forest Edge Elementary School Cafeteria

Tuesday, December 11



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# Agenda

- Welcome and Introduction
- CY 2018 Review
  - Accomplishments
  - Financial Management and Performance
- CY 2019 Plan
  - 2019 Focus
  - Budget Review and Discussion
- Board Election Results
- Adjourn





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# Current Board of Directors

- **Laura Sharon** | President
- **Rick Stevens** | Vice President
- **Ben Miller** | Secretary
- **Nathan Hagan** | Treasurer
- **Ramon Bonzon** | Director
- VACANT | Director
- VACANT | Director



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# Appreciation for

- **Isabel Uribe**
- **Jessica Cushing**
- **John Koebert** – 30+ years of service on the Board!

A teal-tinted photograph of a residential street. In the foreground, a large, mature tree stands on the right side of a grassy area. A wooden bench is positioned near the tree. To the left, a paved road curves through the scene. In the background, several houses are visible, partially obscured by trees and bushes. The overall atmosphere is quiet and suburban.

# 2018 Year in Review



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# CY 2018 Accomplishments

- Completed revision of Hillcrest Cluster Association (HCA) handbook
  - Legal review of By-Laws
  - Standards consistent with Reston Association (RA) and simplified for cluster sections
- Obtained the services of a new legal counsel (from Laurie Dolson to Molly Peacock)
- Successfully completed our 1<sup>st</sup> year of financial management with Capitol Property Management
- Re-negotiated a lawn maintenance and snow contract with Bladerunners for 5 years at a 7.5% cost increase (no escalation)
- Designed, developed and launched new HCA website
- Repainted fire lanes in accordance with Fairfax County fire marshal directives
- Completed road and sidewalk work in the Upper Bridges
- Removed damaged/dead trees and pruned others
- Began design work on beautification of Main Saffold Way
- Conducted resident feedback survey to gather input to the board



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# Financial Management Objectives

- Comply with the Virginia Homeowners Act, as amended
  - Capital Assets Reserve Study completed in 2017
- Provide sound fiscal management of the annual operating budget and homeowner annual dues assessment
  - Professional financial management firm – Capitol Property Management
  - Maintain Cluster in a good state of repair
  - Provide essential services: Common grounds maintenance, trash removal, street lighting, snow removal
  - Operating Reserves Account for emergencies
  - Provide sufficient reserve funds to meet future capital asset needs
  - Act on delinquent homeowner accounts



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# 2018 Budget Performance

- CY 2018 total revenues and cost within budget
- Number of households with delinquent dues declining
  - Board took more aggressive actions to collect outstanding dues through liens and foreclosure
- Legal fees over budget due to actions necessary to collect delinquent dues, and review of bylaws for compliance with VA POAA
- Spring storms resulted in the unanticipated expenditure of \$8500 from operating budget to remove 6 downed trees
- Road and sidewalk work completed within budget
- Established a Capital Asset Reserves Account with first payment of \$5000 in accordance with budget
- Capital Property Management serves the HCA in a professional and timely manner





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# Accounts Report

- HCA maintains three accounts
  - **Operating**—used for operations of all activities within the annual budget
  - **Operating Reserves**—strategic saving account with savings per the Capital Asset Reserves Study to accommodate emergencies
  - **Capital Asset Reserves**—strategic saving account to accommodate long-term capital asset maintenance and replacement (such as future road rehabilitation). Continued contributions to this account help the board stabilize dues increases over time and distribute investment for major capital maintenance.



# Accounts Contributions

## Operating Reserves

	Withdraws	Deposits	Balance	Notes
1/1/2018	\$ -	\$ -	\$ 15,230.94	Starting Annual Balance
3/12/2018	\$ 2,000.00	\$ -	\$ 13,237.09	Withdraw to establish Capital Asset Reserve Account + Interest
10/31/2018	\$ -	\$ -	\$ 13,261.69	Interest

## Capital Asset Reserves

	Withdraws	Deposits	Balance	Notes
1/1/2018	\$ -	\$ -	\$ -	
3/12/2018	\$ -	\$ 2,000.00	\$ 2,000.00	Account Established
7/11/2018	\$ -	\$ 3,000.00	\$ 5,001.51	Deposit + Interest
10/31/2018	\$ -	\$ -	\$ 5,006.32	Interest

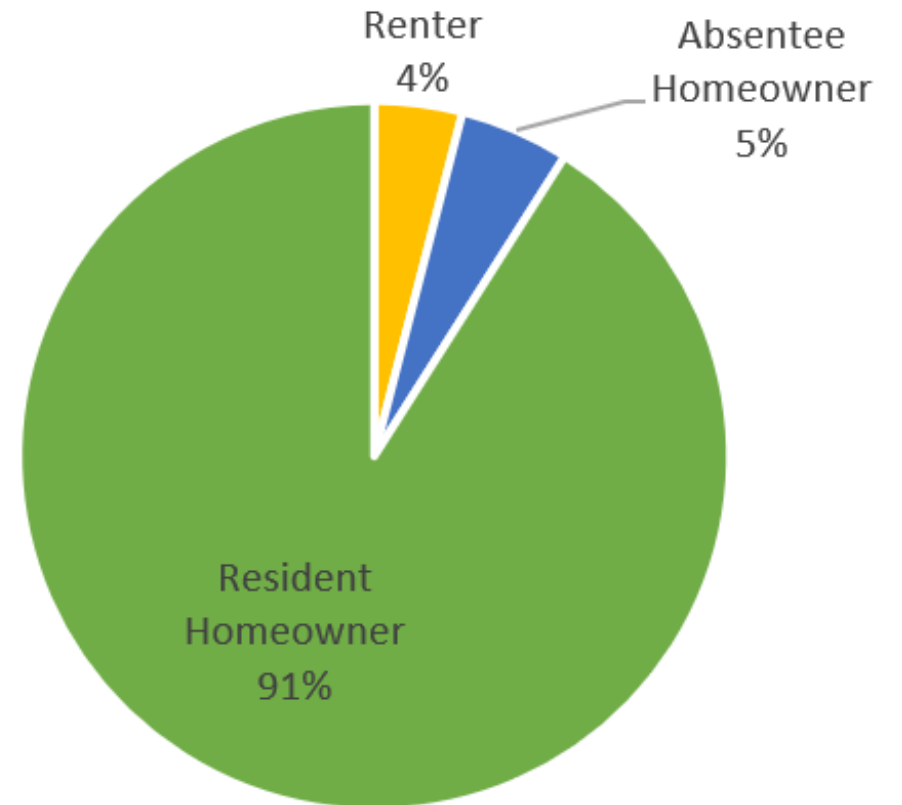


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# 2018 Resident Survey Results

- Conducted in July via paper and online form
- Sent to all residents and homeowners (N= 201)
- 41% Response rate
- Questions:
  - Least and most favorite things about Hillcrest Cluster
  - Recommendations for improvement
  - Rating of resident satisfaction

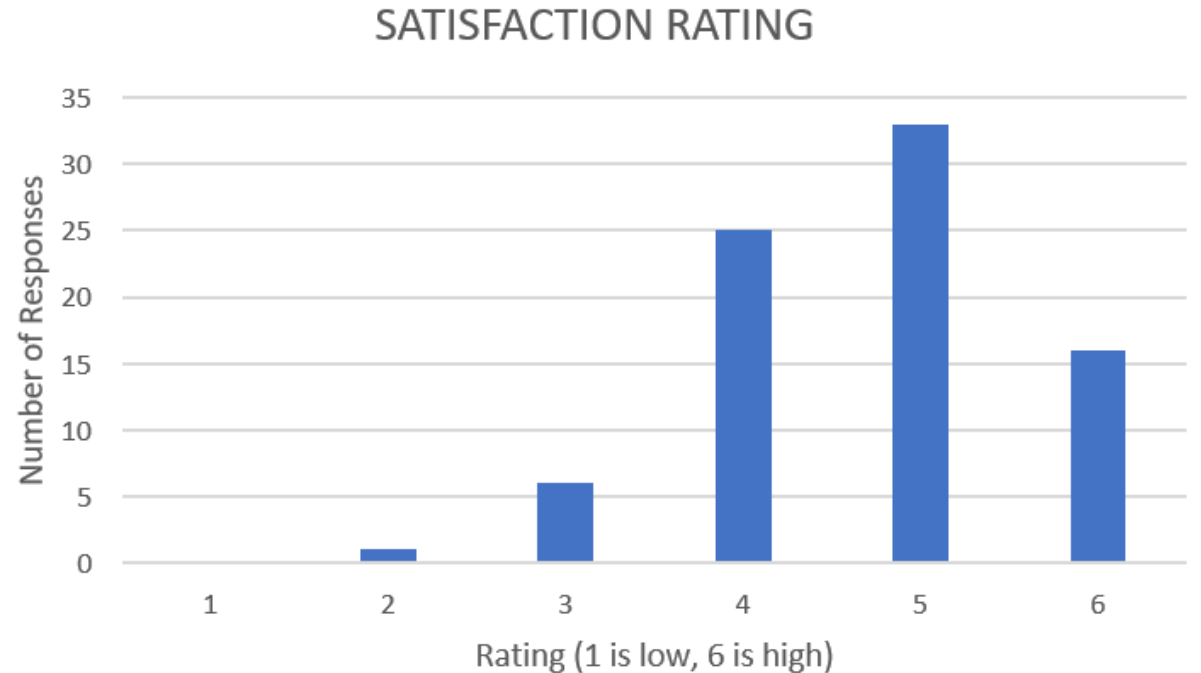
## RESPONSE DEMOGRAPHICS





# 2018 Resident Survey Results (cont.)

- Top 3 favorite things:
  - Location (17.5%)
  - Neighbors (13.9%)
  - Nature (12.1%)
- Top 3 least favorite things:
  - Parking (20.1%)
  - Property maintenance of homes (11.1%)
  - Services (7.5%)



- Survey results and recommendations used to shape 2019 plans



**2019 Plan**



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# 2019 Objectives

- Phase 5/6 of road rehabilitation project
- Award contract for trash and recycling
- Common Property Maintenance Plan (CPMP) projects
- Enforcement of Hillcrest Cluster/DRB standards in conjunction with RA
- Improved Cluster communication through use of [www.hillcrest-cluster.com](http://www.hillcrest-cluster.com) and other methods
- Reserved parking cluster meetings and implementation plan



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# Road Rehabilitation

- Road rehabilitation, sidewalks, and curb & gutter repair is a phased multi-year project
- Four of six phases completed (as of end of year 2018)
- Upcoming road rehabilitation, sidewalk, and curb & gutter repair:
  - Fairfield – 2019
  - Main Saffold Way – 2020
- Repaint fire lanes on a 4-year cycle
- Restripe parking spaces on a 5-year cycle beginning in 2020
- Continue sidewalk repair after 2020, As Needed
- Long-term Capital Asset Reserves account established for future road rehabilitation



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2019

2020



- HILLCREST
- BRYAN COURTS
- FAIRFIELD
- BRIDGES





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# Trash Contract Renewal

- ESI purchased CSI and then Waste Management (WM) purchased ESI w/in 6 month period--poor transition, service declined
- Letter to WM CEO, in person meetings with WM reps
- WM informed HCA new contract would increase costs by 50-90% depending on twice/week or once/week pickup
- Current seeking proposals from other trash/recycling vendors
- Exploring option of new contractor offering each home with new bins and totes for trash and recycling
- Estimated start date for new contract between March 1, 2019 – May 1, 2019



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# Common Property Maintenance Plan

- Tree planting
- Erosion projects
- Efforts focused on landscaping plan with objective of unified landscaping style across HCA common property
  - Will lead to beautification effort in 2020 of Main Saffold Way
  - Replacement of signage along Main Saffold Way to improve traffic directions



# Enforcement of HCA Standards

- HCA standards now consistent with Reston Association (RA) and simplified for cluster sections
  - Took a lot of time and effort to resolve discrepancies
  - RA gave HCA a reprieve on enforcement while we worked to get in sync
- Handbook and website updated so standards for each section are clearer
- HCA Community Survey results noted inconsistent enforcement
- BOD began walk-around and drafted letters for Fairfield section, but we ran out of time before it got too cold
- Action suspended and will resume enforcement in spring 2019
- **DO YOUR OWN INSPECTION** to avoid violations!
  - If you have questions, ASK.



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# Reserved Parking Process

- Various complaints about parking over the years
- Parking issues raised in community survey
- Met with new Cluster attorney to explore options (governing documents limit what the Board can do) and seek advice
- BOD voted to pursue option of 1 reserved parking space per house
- Counsel advised that the following process is prudent as we move forward



# Reserved Parking Process (cont.)

- Conduct community assessment (survey)--complete
- Publish results of survey to community--complete
- Consult legal counsel--completed 8/21/18
- Develop and publish notice of proposed new rule(s) and announce subsequent information sessions with homeowners--WE ARE HERE!
- Hold series of homeowner meetings in early 2019 to get input
- Publish meeting minutes from information sessions
- BOD assess feedback/input and vote on proposal at regularly scheduled monthly meeting -- Date TBA
- After review, proceed with signage, policy updates, painting spots, publishing new rules in handbook



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# 2019 Annual Budget Objectives

- Funds all expenses to provide essential services and maintain the Cluster in a state of good repair
- 2019 Budget includes changes from budgets of prior years
  - New budget category for Financial Management
  - Updated budget categories to add clarity of services and breakdown of how homeowner dues are expended
  - “Rainy Day” Operating Reserves for emergencies established
  - Capital Asset Reserves for long-term saving towards Capital Asset Study requirements
    - Including long-term road rehabilitation reserve to reduce burden on Annual Homeowner Dues Assessment
  - Provides a five-year budget projection for homeowners to understand forecasted future budget needs and objectives – updated annually



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# 2019 Annual Budget

## DUES ASSEMENT

	2018	2019
HOUSEHOLD DUES ASSESSMENT	\$ 1,320.00	\$ 1,320.00
DISCOUNT PRIOR TO MARCH 1	\$ 1,265.00	\$ 1,265.00

## REVENUES

	2018	2019
Carryover	\$ 50,000.00	\$ 52,500.00
Dues Assessments	\$221,500.00	\$221,500.00
Past Years Dues	\$ 5,000.00	\$ 4,000.00
Residential Services	\$ 2,000.00	\$ 2,000.00
<b>TOTAL REVENUES</b>	<b>\$278,500.00</b>	<b>\$280,000.00</b>

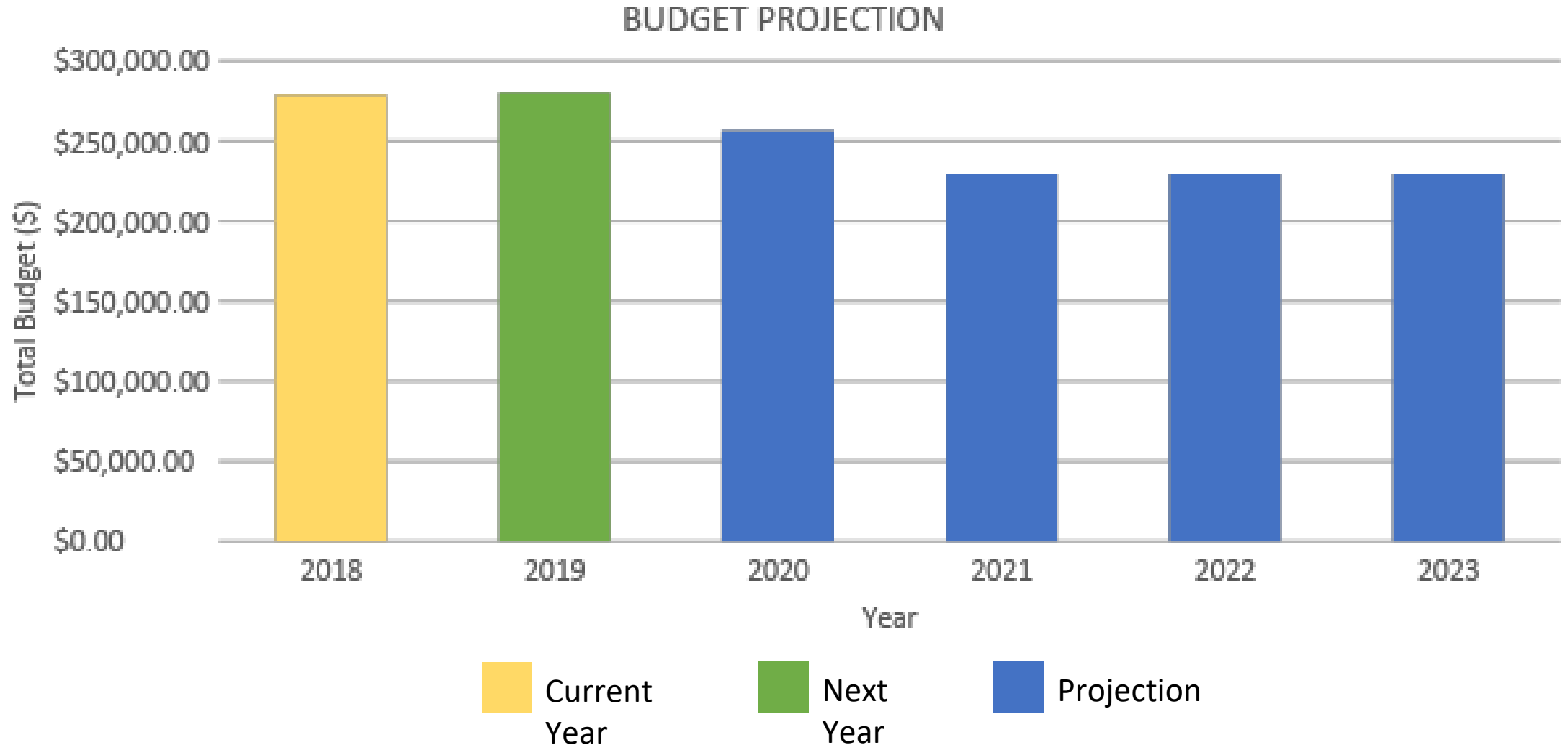
## EXPENSES

	2018	2019
Administration		
Supplies	\$ 1,100.00	\$ 1,100.00
Financial Management	\$ 6,300.00	\$ 8,000.00
Fees	\$ 255.00	\$ 255.00
Board of Directors Compensation	\$ 8,855.00	\$ 8,855.00
Website	\$ -	\$ 600.00
Insurance	\$ 3,265.00	\$ 3,400.00
Legal	\$ 4,250.00	\$ 6,250.00
Contracts		
Trash & Recycling	\$ 27,500.00	\$ 38,000.00
Lawn Maintenance	\$ 38,500.00	\$ 41,500.00
Snow Removal	\$ 10,000.00	\$ 10,000.00
Street Lights	\$ 5,729.00	\$ 5,900.00
Events/Activites		
Annual Picnic	\$ 500.00	\$ 500.00
Annual Meeting	\$ 900.00	\$ 900.00
Asset Maintenance		
Roads	\$ 65,000.00	\$ 61,000.00
Sidewalks & Curbs	\$ 20,000.00	\$ 28,000.00
Playground	\$ -	\$ -
Tree Maintenance	\$ 18,000.00	\$ 20,000.00
CPMP	\$ 15,000.00	\$ 12,000.00
Mosquito Control	\$ 800.00	\$ 850.00
Savings		
Operating Reserves	\$ 15,000.00	\$ -
Capital Asset Reserves	\$ 5,000.00	\$ 5,000.00
Operting Account Carryover	\$ 32,546.00	\$ 27,890.00
<b>TOTAL EXPENSES</b>	<b>\$278,500.00</b>	<b>\$280,000.00</b>



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# Five-Year Budget Projection

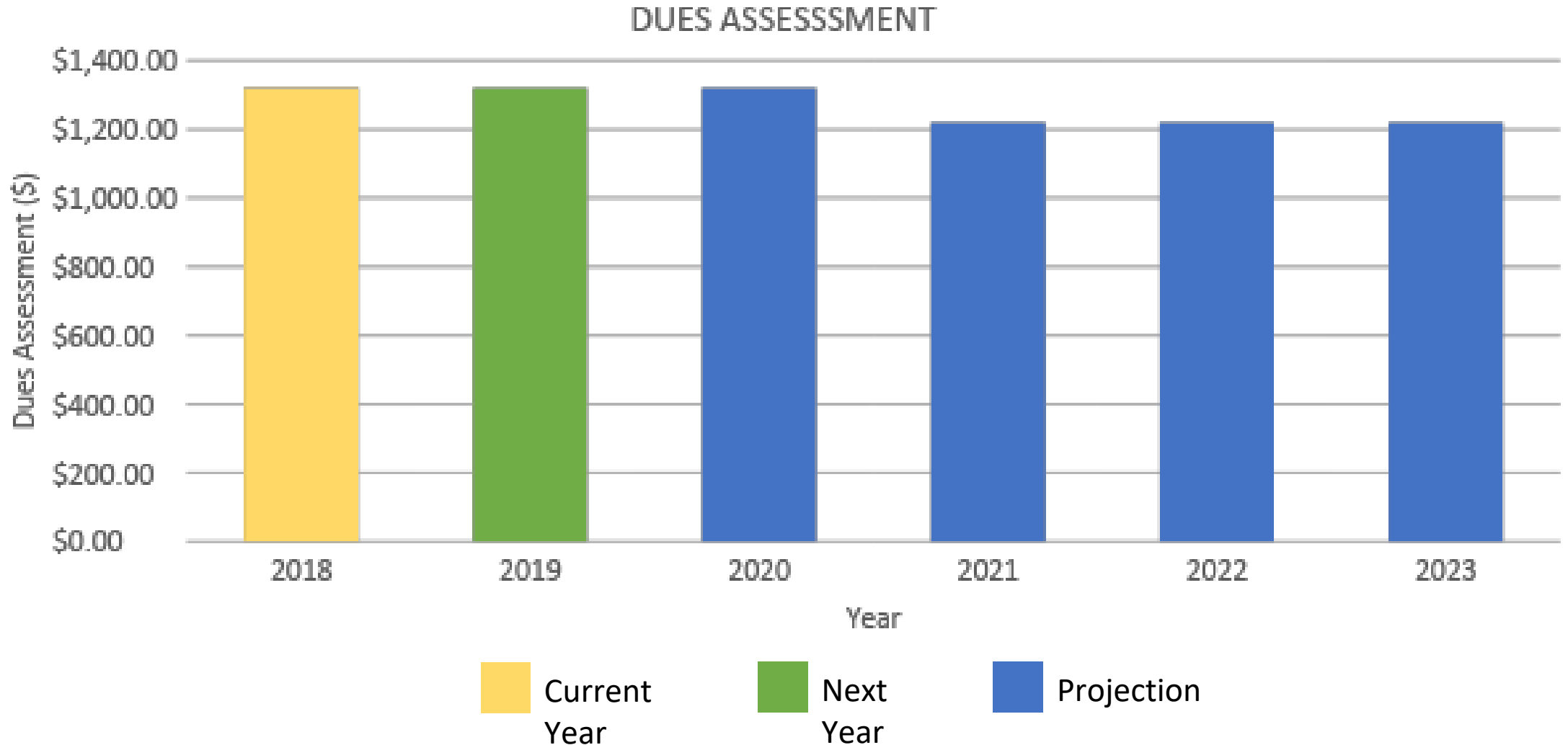






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# Five-Year Dues Projection





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# 5-Year Budget Projection

## EXPENSES

	2018	2019	2020	2021	2022	2023
Administration						
Supplies	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Financial Management	\$ 6,300.00	\$ 8,000.00	\$ 8,165.00	\$ 8,330.00	\$ 8,500.00	\$ 8,675.00
Fees	\$ 255.00	\$ 255.00	\$ 255.00	\$ 255.00	\$ 255.00	\$ 255.00
Board of Directors Compensation	\$ 8,855.00	\$ 8,855.00	\$ 8,855.00	\$ 8,200.00	\$ 8,200.00	\$ 8,200.00
Website	\$ -	\$ 600.00	\$ 600.00	\$ 700.00	\$ 700.00	\$ 800.00
Insurance	\$ 3,265.00	\$ 3,400.00	\$ 3,470.00	\$ 3,540.00	\$ 3,610.00	\$ 3,690.00
Legal	\$ 4,250.00	\$ 6,250.00	\$ 6,000.00	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00
Contracts						
Trash & Recycling	\$ 27,500.00	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00
Lawn Maintenance	\$ 38,500.00	\$ 41,500.00	\$ 41,500.00	\$ 41,500.00	\$ 41,500.00	\$ 41,500.00
Snow Removal	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Street Lights	\$ 5,729.00	\$ 5,900.00	\$ 5,960.00	\$ 6,020.00	\$ 6,080.00	\$ 6,140.00
Events/Activities						
Annual Picnic	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Annual Meeting	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
Asset Maintenance						
Roads	\$ 65,000.00	\$ 61,000.00	\$ 60,000.00	\$ 5,000.00	\$ 4,000.00	\$ -
Sidewalks & Curbs	\$ 20,000.00	\$ 28,000.00	\$ 15,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Playground	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -
Tree Maintenance	\$ 18,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
CPMP	\$ 15,000.00	\$ 12,000.00	\$ 15,000.00	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00
Mosquito Control	\$ 800.00	\$ 850.00	\$ 850.00	\$ 900.00	\$ 900.00	\$ 950.00
Savings						
Operating Reserves	\$ 15,000.00	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Capital Asset Reserves	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 20,000.00	\$ 20,000.00	\$ 30,000.00
Operating Account Carryover	\$ 32,546.00	\$ 27,890.00	\$ 14,345.00	\$ 18,955.00	\$ 19,655.00	\$ 19,190.00
<b>TOTAL EXPENSES</b>	<b>\$278,500.00</b>	<b>\$280,000.00</b>	<b>\$256,500.00</b>	<b>\$229,000.00</b>	<b>\$229,000.00</b>	<b>\$229,000.00</b>

## REVENUES

	2018	2019	2020	2021	2022	2023
Carryover	\$ 50,000.00	\$ 52,500.00	\$ 30,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Dues Assessments	\$221,500.00	\$221,500.00	\$221,500.00	\$205,000.00	\$205,000.00	\$205,000.00
Past Years Dues	\$ 5,000.00	\$ 4,000.00	\$ 3,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Residential Services	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
<b>TOTAL REVENUES</b>	<b>\$278,500.00</b>	<b>\$280,000.00</b>	<b>\$256,500.00</b>	<b>\$229,000.00</b>	<b>\$229,000.00</b>	<b>\$229,000.00</b>
<b>HOUSEHOLD DUES ASSESSMENT</b>	<b>\$ 1,320.00</b>	<b>\$ 1,320.00</b>	<b>\$ 1,320.00</b>	<b>\$ 1,220.00</b>	<b>\$ 1,220.00</b>	<b>\$ 1,220.00</b>
DISCOUNT PRIOR TO MARCH 1	\$ 1,265.00	\$ 1,265.00	\$ 1,265.00	\$ 1,170.00	\$ 1,170.00	\$ 1,170.00

# Election Results



Q & A

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RD



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**Adjourn**

**Thank you!**

