

**FOREST HILL ASSOCIATION
BOARD OF DIRECTORS MEETING
April 10, 2017**

The meeting was called to order at 7:10 p.m. by Board President, Mark Watts, and was adjourned at approximately 7:50 p.m until 8:50 pm at which time the Inspector of Elections announced the new FHA Board. The meeting was then adjourned at approx.. 9:00 p.m.

1. Notice:

A copy of the meeting notice was sent on April 3, 2016 to each Director via email and posted in the kiosk outside the Clubhouse.

2. Quorum:

Quorum was met. FHA directors present were Mark Watts, Eric Buonassisi, Barney Deasy, Barbara Damalos and Dena Williams. Not present were Ai Lien Li and Wally Wertsch.

Actions Taken:

A. The minutes of the Forest Hill Board of Directors' meeting held on March 13, 2017 were voted on and approved by all directors present. Motion carried.

3. Treasurer's Report:

Gross Revenues for our 100th year of operation totaled \$431,409. Expenditures finished the year at \$381,906 resulting in net surplus of **\$49,503**. The FHA Board and Finance Committee agreed to make a \$77,000 principal payment on our bank loan reducing our interest and principal payments to \$2007.49 per month. Our cash balance is now **\$260,361** after that prepayment. The loan balance has been reduced to **\$144,474**.

Revenue:

- FY 2016 revenues fell \$61,380 from last year due primarily to Clubhouse rentals falling \$76,490 from FY 2015.
- All late payments were made last month with late payment fees. As a result, Assessment payments were \$13,409 greater than received for the year before.
- Interest from CDs and late payment fees exceeded the previous year by \$1,698.

Expenditures:

- Payroll expenses fell \$32,130 from FY 2015 levels and finished the year 40% under budget.
- Insurance expense rose \$2,347 above budget as a result of increased exposure rating for worker comp insurance for our 3 current event managers and Janette.
- Clubhouse utilities exceeded our budget by \$2,695 and finished 25% higher than last year. The largest overage was for Water and Sewer charges which exceeded last year by \$2,524.
- Clubhouse direct expenses to support the use of the Clubhouse for free community events and for member rentals during the year totaled \$50,033. This was \$5,423 higher than last year at a time when Clubhouse annual rental gross revenues were 70% higher than this year.
- Professional Services exceeded budget by \$23,080 and totaled \$39,630 for the year ended March 31, 2017. Legal services associated with our appeal of the Notice of Violation and the Planning

Department monthly monitoring fees have accounted for \$25,223 of the total. Computer services finished \$6,860 under budget.

- Landscape expenses finished the year at \$155,061 with an increase of \$14,475 spent on tree removal and storm cleanup. Our new contract for parkway and median strip maintenance has increased our landscape maintenance costs \$10,975 over the previous year when BrightView took care of this task.
- Office expenses were held to \$5,147 which saved \$7,198 from what we spent in FY 2015.
- Community/Communications expenses finished the year \$8,372 below last year with savings in Newsletter preparation event expenses. The Halloween party was cancelled due to a water leak but the primary reduction was tighter control of FHA sponsored community events.

2017 Assessments Receivable:

Payments received for March totaled \$14,359 (page 5) bringing the total YTD payments to **\$283,036**. This represents **87.4%** of the expected payments for the calendar year 2017. Delinquent Notices were mailed out the last week of March to all unpaid members asking for payment by April 15 to avoid the 10% late fee after that date. A total of 76 members owing \$39,457 in 2017 assessments were unpaid as of the March 31 late payment date. We expect that will be cut in half by the end of April.

4. **At approx. 8:50 pm. Inspector of Elections, Peter Schwarz announced the 2017-18 FHA Board Election Results:**
 - a. Initially 12 candidates ran for 7 seats.
 - b. Ilya Gendelman was disqualified for not showing up nor notifying the Inspector of Elections that he would not be able to attend the Candidates Forum on March 27th.
 - c. Director R.Wallace Wertsch submitted a letter of withdrawal from running for the Board
 - d. FHA received approx. 270 ballots back and the 35% quorum was met.
 - e. The community elected John Farrell, Stephanie Adams Ryan, Mary Sangiacomo, Andrew Sparks, Eric Buonassisi and Dave Yoo to serve as members of the board of directors. Shortly after the election, Eric tendered his resignation to the board. The 7th director did not meet the minimum requirement of 25% of the 35% vote and thus was not elected.
 - f. The two open positions on the board will be designated by the elected directors at their first meeting and the open positions are expected to be filled by Ai Lien Lee and Anthony Woolf.
5. **Activities committee:**
 - a. Easter Egg Hunt was April 9th from noon to 2:00 pm and was well attended.
 - b. Next event is summer picnic on August 27th at 2pm.

6. Landscape:

The Landscape Committee has had a busy year. June 1, 2016, we transferred the responsibility for landscape maintenance and tree replacement to Terra Landscape. Diane Wara says they've done an outstanding job. We've planted 40 trees, including 20 replacements and 20 new trees, since June 1. Twenty additional trees are scheduled for replanting before June 1. Landscape maintenance has improved significantly. We've "trialed" a new program for sidewalk strip replacement: the homeowner(s) has paid to remove the existing plants and to provide irrigation. FHA has provided new trees. Together, sharing cost 50:50 with the homeowner, we have provided and planted new greenery. The "shared" responsibility seems

successful.

Brightview has continued to be responsible for twice yearly pruning throughout our neighborhood. They are doing an outstanding job and the City has twice stated that our large trees are "the best maintained" in the City.

Finally, last November we passed a City proposition that will return the responsibility of maintaining sidewalk strip trees to the City. However, no money was allocated. Because we are a "sanctuary City" and Trump's budgetary impact remains unknown, the City will not initiate this program until later. However, at the time the program is initiated, the City has agreed to 1) remove all of our large trees when necessary -- this now costs us \$3000 to \$6000/tree; and 2) to assist us with pruning our large Monterey Pines during Jan-Feb each year. The City "touches" every tree approximately once in five years, whereas we prune each tree every 2-3 years, resulting in our healthy trees. During this winter's storms, we did not lose a single large tree. Thus, we can count on the City to provide some assistance with our tree maintenance but not to take over our program.

7. Clubhouse Rental Update:

- We have 31 rentals on the books for calendar 2017-18 year. – All 31 are member rentals.
- 2 new contracts since the last board meeting.

8. Garden Club:

Sima Talia mentioned the Garden Club is having a "high end rummage sale" on Sunday, April 23rd at the Clubhouse from 9am to 5pm. They are charging \$25 and \$35/table and those fees will be donated to a charity. There still are a couple of tables available.

9. West of Twin Peaks Update:

No update, but Dena Williams and Gus Guilbert are the FHA representatives. Dena would like for Gus Guibert and her to continue to share that position and represent FH on that council.

Respectfully submitted,

Janette Najar