

**FOREST HILL ASSOCIATION
BOARD OF DIRECTORS MEETING
February 13, 2017**

The meeting was called to order at 7:00 p.m. by Board President Mark Watts, and was adjourned at approximately 9:00 p.m.

1. Notice:

A copy of the meeting notice was sent on February 6, 2017 to each Director via email and posted in the kiosk outside the Clubhouse.

2. Quorum:

Quorum was met. FHA directors present Mark Watts, Eric Buonassisi, Barney Deasy, Dena Williams, R. Wallace Wertsch, Barbara Damalos and Eileen Li.

Actions Taken:

- A.** The minutes of the Forest Hill Board of Directors' meeting held on January 9, 2017 were voted on and approved by all Directors present. Motion carried.

3. Treasurer's Report:

With only a month left for our fiscal year (91.6%), revenue from assessments, bank interest and Clubhouse Rentals has reached \$416,250 which is 95% of our expectations. The Clubhouse loan balance is now **\$223,680** and our cash balance has risen to **\$382,197** (pg6).

Revenue:

- 2017 assessment payments remain 2.7% ahead of last year and totals \$268,677 for the year to date. Two late payments from 2016 remain in arrears a final certified letter warning of a pending lien action will be mailed next week and will be registered by April 2017 if not received in full.
- Clubhouse rental revenue for February added to \$875 to income for the year for a total of \$101,792.

Expenditures:

- Payroll expense remains under budget by \$26,000 or 31%.
- Insurance is \$2,241 over budget due to an increase in worker comp insurance for our event managers and Janette.
- Clubhouse utilities remain over budget by almost \$3,000 at 118% of budget with everything but electric and gas exceeding budget.
- Clubhouse maintenance expense is just \$250 over budget and will finish the year that way if the cleaning costs for the next 4 months drop with the number of rental events. Cleaning costs are

running 9% over budget at \$12,043. With Clubhouse activity at an annual low point for the past 2 months, clubhouse expenses appear to be on a pace to be at or just below budget for the full year.

- Professional Services continue over budget by \$14,150 at 163% of the annual budget. Legal services will be over budget while computer services are \$5,000 under budget on a reduced Newsletter schedule this past year.
- Landscape, Office, and Community expenses remain well below budget at 67%, 34% and 34%, respectively. Lunar New Year expenses will impact March but we expect that events will remain under budget.

With only a month left in our budget year, we are on a pace to realize a \$90,000 to \$100,000 surplus of income over expenses for FY 2016. The Finance Committee will be discussing a one-time \$70,000 principal payment on the Clubhouse renovation loan for an April payment to reduce the outstanding loan balance below \$155,000.

The treasurer report was voted on unanimously approved.

4. Landscape

- a. Chris Buck from DPW talked through the tree replacement choices available to FH. #1 choice: Canary Island Pine replacement for the Monterey Pine. The choice is an obvious choice as the conifer has a large solid stature and doesn't get pitch canker or bark beetles like the Monterey and it can handle the wind and fog. Has a long-life span and is easier to maintain.
- b. Discussed the Prop E. ballot which turns over the maintenance and pruning of all trees in the median strips to the city. The city will pick up the cost of dead trees and there will no longer be a permit needed to remove a tree. DPW is aiming to start in the winter of 2018.
- c. Need to schedule a walk through with Chris Buck to figure out location of replacement trees on San Marcos/Santa Rita.
- d. Diane Wara stated when the city takes over the median strips she hopes to save the association \$35-\$40 K/year
- e. 31 trees have been planted since June 1st. She has 40 more trees to evaluate.

5. Pocket Opera:

- a. Dates were approved to allow Pocket Opera to use the Clubhouse for March & July.

6. 250 Laguna Honda Project: Group has asked the developer to keep the preschool

7. Activities committee:

- a. Yoga has been approved to be hosted at the Clubhouse every Thursday for the month of March. Cost to the association is \$100. No cost to be passed onto to FHA members who attend. Class is scheduled to be Thursday from 10-11am.
- b. February 26th is the Lunar New Year Celebration. Budget was asked to be increased to \$3500. Unanimously approved by FH Board.
Easter Egg Hunt is April 9th.

8. Clubhouse Rental Update:

- Sent quarterly report to Planning Commission 1/12/16
- Currently assessed \$30K in fines but haven't had to pay them and hoping to have them forgiven.
- Rules committee hoping to revise the guidelines by April 15th.
- 88 total contracts for the 2016-17 year.
- 21 contracts on the books for calendar 2017-18 year. – All member rentals.
- 6 new contracts since the last board meeting.
- Last year this time there were 42 rentals – down 50%

9. Architectural Review Committee: No report

No further business discussed.

Respectfully submitted,
Janette Najar