

**FOREST HILL ASSOCIATION
BOARD OF DIRECTORS MEETING
October 1st, 2012**

Board Members present: Diane Wara, Kathe Farrell, Paul Cooper, Dan McHugh, Eric Buonassisi.

Others in Attendance: Walt Farrell, Rigo Cabezas, Gus Guibert, Harold Wright.

Diane Wara called the meeting to order. The meeting began at 7:10 pm.

Minutes: The draft minutes of the previous meeting, September 10, 2012, were approved.

The next Board Meeting is planned for Monday, November 5, 2012.

Treasurer's Report:

In the absence of Treasurer Sally Kipper, Diane Wara presented a preliminary Treasurer's Report. She began her report with the revenues: Income from Clubhouse rentals has reached 56% of the budgeted amount with only 50% of the fiscal year elapsed. Interest income from financial institutions was not yet available at the time of the Board Meeting as the meeting was held on the first day of the month, and the bank statement is only available later.

Expenditures: Personnel costs are at 43% with 50% of the fiscal year elapsed, so well below the budgeted amount. Landscaping: expenditures have reached only 34% of the annual budgeted amount; however, as billing lags about 6-8 weeks behind completed work, Landscaping costs will catch up. Community Events: an advance payment in the amount of \$ 400 was given to the organizer of the Children's Halloween Party, as well as a check payable to the DJ contracted in the amount of \$500. Dan McHugh received reimbursement for his expenditures toward the Fall Picnic. Expenditures for phone cost (AT&T) and for water exceed the budgeted amount mainly because of an inadequate budget forecast that was based on assumptions that on hindsight prove incorrect. For Professional Services, an invoice for the tax accounting firm, Butterfield & Brown, covering Federal and State tax returns for 2011, was paid. The Board briefly discussed the possibility of receiving the same services for less from a different tax accounting firm. Eric Buonassisi will look into this option, discuss with Treasurer Sally Kipper after her return, and report back to the Board

The Board unanimously approved the preliminary Treasurer's Report.

President's Comments

Diane Wara expressed her wish to proceed with the approved CPA review of FHA finances. Eric Buonassisi, who had taken on the task of finding a CPA firm for this review, reported that his efforts to communicate with this firm have not been successful. He recently mailed a written request FHA letterhead to this firm and is awaiting their response. Diane stressed it would be desirable to begin work on the outside financial review process by the time of the next Board Meeting in November.

Diane then announced the passing of Stephen Halpern, former Chair of the FHA Architectural Review Committee, on September 26. She praised him as a wonderful human being who had rendered many years of expert service to the Forest Hill community and had overall been an incredible asset to the Forest Hill neighborhood. All present observed a moment of silence in the honor of Stephen Halpern.

Diane then proceeded to the issue of pro bono use of the Clubhouse for artistic performances. She pointed out that currently no solid SOP exists for answering such requests; nor is there any guideline in place on how to evaluate the applicants in terms of their artistic merit and accomplishments. Dan McHugh has graciously offered to lead a subcommittee on new guidelines for pro bono use of the Clubhouse. Board Members briefly discussed the issue; suggestions included evaluation on the grounds of “connection to the Forest Hill Community” as well as mandatory reimbursement to FHA for overhead costs (cleaning, Event Manager services, administrative services) by approved pro bono users. All Board Members present agreed on the necessity of establishing clear rules for pro bono Clubhouse use.

Advisory Committees

Communication:

Kathe Farrell is still missing some articles for the next Newsletter issue and asked for contributions.– For a future Newsletter Paul Cooper announced an article about the increasing practice of parking cars in driveways so that they are jutting out into the sidewalk, blocking it to pedestrians.

Clubhouse Renovation:

Paul Cooper gave an overview over the planned schedule of next steps.

On October 16, the Clubhouse Committee and Board will meet and choose among sketches of the various architectural schemes which one(s) will go to pricing.

In November, these plans will be returned to the Committee with pricing, allowing the Committee and the Board to evaluate these options with their price points.

In December, design drawings and estimates will be available. Paul called for an extraordinary Board Meeting devoted to Clubhouse Renovation issues for the second Monday in December.

During December and January, construction documents will become available for evaluation by the Committee and the Board.

At the February Board Meeting, a decision will be made which of these documents will go out to bid;

By the end of February, the Board will then choose a contractor and at the March Board Meeting, a contract will be awarded to the chosen contractor.

Paul also explained that according to the City Planning Department, FHA does not have any obligation to maintain a leasable apartment at the Clubhouse.

The Board then entered into a discussion about the preference for either a cost estimator or a contractor to provide a cost estimate for the construction plans. Paul pointed out that while the cost for both approaches would be the same (approx. \$ 4,000), the approach of cost estimators is more abstract and the approach of contractors (as “pre-construction services”) more practical. So far, one cost estimation by a cost estimator has been submitted (through Carey & Co.), and Paul Cooper has received one estimate for pre-

construction services from a construction company (Moroso Construction). The estimated cost by Moroso Construction Company would be \$ 3,000 and up to but not to exceed \$3,750. Paul pointed out that since he had worked with this company in the past, he would like to excuse himself from voting about engaging them. At the request of the Board, Paul did, however, offer his personal evaluation of the quality of their work, and he described it as very sound and a very positive work experience. This company has also proven experience in working on Maybeck structures. Diane Wara expressed her preference for having the cost estimate performed by a construction company rather than a cost estimator to have the advantage of a different, more practical viewpoint and also the advantage of an assessment independent of Carey & Co. The Board moved unanimously to use the Moroso Company for pre-construction services at the suggested price.

Paul then led the discussion towards several still unresolved issues within the architectural planning process, the most difficult among them the question of whether to provide for a potentially leasable apartment. During a lively discussion, the Board came to the conclusion that – since by SF Planning Dpt. FHA is under no obligation to provide this apartment space – the space should be left “blank,” without assignment, and no extra funds should be dedicated to preparing an apartment space that may never be actually rented out, may never yield rental income and therefore would not justify the expense. Further unresolved issues are the size and placement of a coat closet and bridal preparation room. Paul moved and the Board approved to amend and clarify the program given to Carey & Co. such that the current amount of 9ft 4 in linear closet space and the current footage of the bridal preparation area should be conserved, leaving the placement of these assigned spaces open for the architect.

Paul Cooper is searching for a successor to the late Chairman of the Architectural Review Committee. The Board is actively seeking an FHA member with a background in architecture or engineering, who is familiar with planning and building codes and who has good communication skills. This person will have to directly interact with FHA members seeking advice for their construction projects.

Clubhouse Finance Committee:

Eric Buonassisi had no updates on the financing options. He summarized that financing negotiations have been initiated with a total of four financial institutions: Bank of America, First Bank, First Republic Bank, and Wells-Fargo. First Bank appears to be the most promising contact; Wells-Fargo declined to offer any loan at all after no action throughout the summer months; First Republic Bank requests a more detailed renovation plan with pricing before going into any further detail; and Bank of America has offered a maximum loan of \$ 200,000 for a maximum project cost of \$ 400,000.

Details of the First Bank offer are: a loan based on the ability of FHA to raise dues by 8.9% for FY 2014 on, and upon FHA willingness to budget \$ 6,000 per month for rebuilding the reserve fund. Under these conditions, First Bank would offer a loan amount of \$ 500,000, but would expect FHA to move all assets from Bank of America to First Bank in the process. The 10 year loan rate is estimated to be 5.5%. First Republic Bank requires a fixed cost estimate for the construction project, architectural plans, recent tax returns and an external financial review in order to decide on their financing offer. As soon as these requirements can be met, Barney Deasy will contact First Republic Bank.

Based upon the financing options developing so far, the general consensus was that alternative financing strategies are called for. It was suggested by Paul and Eric that we initiate a formal evaluation of the sale of the garages/garage lot to provide the capital necessary to complete the CH renovation and fund the future reserves for other community improvements. Rigo Cabezas again pointed out that Mechanics Bank may be willing to offer better financing conditions. Eric Buonassisi will contact this bank as well.

Trees and Landscape:

Diane Wara reported that this year's pruning has been completed. There have been requests from FHA members to have their trees pruned more extensively than performed by the Valley Crest Tree and Landscape Company. Diane offered to contribute a Newsletter article about tree pruning policies.

FHA has also received neighbor complaints about the use of noisy leaf blowers early in the morning (VC has meanwhile agreed to limit their use to after 10 am) and to the use of leaf blowers under rainy/wet weather conditions. At Diane's request, VC had agreed NOT to use them any more when leaves/groundcover are wet.

Harold Wright again brought up the problem of gopher infestation, especially of the Pacheco Triangle and Clubhouse front lawn. Jutta Lammerts had received an estimate from Clark Pest Control Company in the amount of \$280 for the first month and \$150 for every subsequent month of gopher control measures (inserting poisoned bait into the gopher holes). At the September Board Meeting, several Board Members had voiced concerns regarding the possible environmental impact of using poison and of the chances of success in the long term. The Board had agreed NOT to pursue the issue any further at this point but to observe the gopher problem throughout the Fall/Winter season. The Board and all others present discussed the problem in general again but did not make any further decisions.

WTPCC:

Walt Farrell reported a Supervisor Candidate Panel for the 7th District Supervisor on Saturday, September 22nd. He also mentioned that permission for regular Food Truck service has been sought for the West Portal area. He then explained the new Prop. B, a \$195 million bond issue earmarked for the Park and Recreation Department. However, \$30-40 million would go toward the Port Commission, and the remainder would go towards various unspecified projects. There is widespread opposition to this bond measure, mainly because part of the monies raised through a previous (2008) bond measure for the same purposes has not yet been spent, and because some of the projects financed through this previous bond measure remain controversial. For example, after the J.P.Murphy clubhouse underwent extensive and expensive renovations, the City laid off the personnel working at the venue, with the result that the newly renovated facility is currently not used at all. WTPCC abstained from an official opinion.

Adjournment: There being no further business, the meeting was adjourned at 8:35 pm.

Respectfully submitted,
Jutta Lammerts