

**FOREST HILL ASSOCIATION
BOARD OF DIRECTORS MEETING
February 4, 2013**

Board Members present: Kathe Farrell, Sally Kipper, Paul Cooper, Dan McHugh, Eric Buonassisi, Warren Krauss.

Others in Attendance: Barney Deasy, Harold Wright, Nancy Hagosian, Rigo Cabezas, Donna Earhart, James Earhart, Anna Bolechowski, Bill Callan, Teresa Callan, Dottie McHugh, Christine Willemsen.

In Diane Wara's absence, Vice President Kathe Farrell called the meeting to order. The meeting began at 7:00 pm.

Minutes: The draft minutes of the previous meeting, January 7, 2013, were approved. The next Board Meeting is planned for Monday, March 4, 2013.

Treasurer's Report:

. Due to the holidays, the Treasurer's Report presented at the January 2013 meeting had covered the month of December only up to 12/28. Sally Kipper presented a completed report that covers the full month. The new report covering the full month of December now contains bank interest income for the month of December and dues payments received between 12/29 and 12/31/12 on the Revenue side; on the Expenditure side, one more payment of wages for the Office Manager was added. Sally updated the balance sheet for December accordingly. –

Sally then presented the report covering the month of January 2013. On the Revenue side, she pointed out, ca. 80% of dues payments for the year 2013 have already been received. 12 non-member households had voluntarily paid dues as of 1/31/13. On the Expenditure side, costs for garbage collection appear unusually high because two monthly payments were made in the same month – one in advance for February. Under "Professional Services/ legal" a payment was made for lawyer consultation regarding the Davis-Stirling Act. The expense for computer services in February reflects both the monthly fee paid to Insight Consulting and the budgeted cost for creating the assessment invoices.

Sally then explained that a bank charge in the amount of \$ 62.40 incurred in December due to a high number of deposits was reversed by the bank in January at the request of Executive Assistant Jutta Lammerts, and that the specifications of the FHA checking and Money Market accounts have been changed so that from January 2013 on no such fees will be charged by the bank, the Checking account will no longer yield interest, but the Money Market account will yield interest at a higher rate. – The final fiscal review report done by Levy, Erlanger CPA and by the law firm consulted on the Davis-Stirling Act have been received and paid for.

The Board moved to approve the Treasurer's Report.

President's Comments

In Diane Wara's absence, Vice President Kathe Farrell announced the annual Board Election, to be held on April 1st. Official written notification of FHA members was given via the Newsletter which was mailed in time to arrive on February 1st. Candidate statements are due by March 1st, 2013. The Board then moved to approve the Election Officers, Jutta Lammerts and John Palmer.

Advisory Committees

Activities – Dan McHugh:

A planning meeting for the Lunar New Year Party on 3/10/13 was held at the house of the chairman of this event, Kenneth Chin. The Board will once more encourage Kenneth Chin and his wife to become members of the FHA. Dan McHugh officially thanked Mr. and Mrs. Chin for their efforts on behalf of the FHA Lunar New Year festivals.

Communication – Kathe Farrell:

The latest Newsletter issue arrived at FHA households on February 1st; the next Newsletter will contain the FHA Election results.

Clubhouse Renovation - Paul Cooper:

The timeline as of the previous Board Meeting, January 7, 2013, is unchanged.

FEBRUARY

Carey and Co. to issue Permit Documents to Board for Review (digitally) 2/1/13
February Board Meeting 2/4/13
Board to approve the documents to be issued for permit
Board to review documents from 2/1/13 to 2/5/13 and provide comments to Carey and Co.
Carey and Co. to incorporate boards comments and issue for bidding 2/8/13

MARCH

Contractors bids due to FHA 3/1/13
March Board Meeting 3/4/13
Board to approve the Contractor bid for the project
Contract Finalization with Contractor

APRIL

April 1, 2013 Construction to begin

The Board has received recommendations for a total of nine construction companies to receive the bid packages. The Board has not pre-screened any of these companies. Paul suggested that bids should be solicited from all of these. It was suggested to ask bidders for a list of their past projects and accomplishments to evaluate their experience along

with their construction bid for the Clubhouse renovation. Paul suggested to approve that the current drawings go out to bid tomorrow and that bids shall be due on 2/28/13; and to begin the permitting process as soon as possible, on 2/11 or 2/12. That would allow the Board to review bids at the next Board Meeting on March 4, 2013. Paul expressed his hope that the Board will receive at least three bids to choose from.

As of now, the Board recommended not to accept any Clubhouse rental reservation after 4/1 and for the remainder of the year 2013. Once a contractor has been chosen and contracts have been signed, the date for the expected reopening might be revised. The Board moved to approve that the architectural plans are now sent out to permitting and out to bid.

Clubhouse Remodel Finance Committee – Eric Buonassisi:

The estimated cost of construction as approved by the Board is \$ 630,000 not including the architects' fee – which is expected to amount to ca. \$ 100,000. A Board-approved construction estimate and the Financial Review Report by Levy, Erlanger CPA have been submitted to potential lending institutions. Potential lenders remain: Mechanics Bank, First Bank, and First Republic Bank; Wells-Fargo had declined, and Bank of America has limited the loan amount to \$ 200,000 which would be insufficient for the Clubhouse project. The loan needs to be approved and in place before any bid response is signed, i.e. in early March. Negotiations with lenders are currently pressed forward to meet this timetable now that a firm contractor cost estimate is available. Eric explained that all potential lenders require a certain debt/income ratio and minimum reserve account balance in order to secure their loan.

First Bank is offering a maximum loan amount of \$ 400,000, based on the available cash, budget and project cost and the resulting debt/income ratio each year. For 2013 and 2014, FHA income from annual dues cannot be increased - the earliest dues increase that can be approved by the Board is for January 2015. First Bank is currently requesting that FHA decrease the annual budget for 2013 and 2014 by \$ 50,000 and \$25,000 per year. This request is still under discussion. First Bank would offer an interest rate of 5.5 % with an initial period of interest-only payments.

First Republic Bank offers a loan amount of \$ 500,000 at approximately the same conditions but has requested more financial information before committing to a formal offer. Barney Deasy is working with First Republic Bank to help them finalize their loan offer.

As of December 2013, there have also been negotiations with Mechanics Bank. This bank is still in the process of reviewing the financial documents submitted by FHA. It is hoped that Mechanics Bank will offer a loan amount in the \$ 400,000 to \$ 450,000 range. Kathe Farrell officially thanked especially Paul Cooper and all involved in the Clubhouse renovation and financing for their efforts.

Architectural Review – Paul Cooper

Mark Watts has expressed interest in the position of Chairman of the Architectural Review Committee. So far no further candidates have come forward. Mark Watts has been appointed Interim Chairman of the Architectural Review Committee until July. A final decision will then be made.

Infrastructure and Legal Matters – Warren Krauss

In the Forest Hill Extension neighborhood, new streetlights and conduits are currently being installed by the City. Warren will research the possibility of having the same done in Forest Hill where streetlights are in dire need of replacement.

Landscape and Trees

In the absence of Diane Wara, Kathe Farrell reported that the Winter Pruning is well under way. Gopher traps have been installed in the Pacheco Triangle and seem to work.

WTPCC

In the absence of Walt Farrell, Kathe Farrell forwarded a request of the WTPCC president for a list of FHA Board Members with contact information. Jutta Lammerts will provide a list of current Board Members and the FHA office phone and email information.

Adjournment: There being no further business, the meeting was adjourned at 8:10 pm.

Respectfully submitted,
Jutta Lammerts