

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

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

Others in Attendance: Barney Deasy, Harold Wright, Rigo Cabezas, David Aldrich, Clorinda Aldrich, Steve Lawrence, Katie Balestreri, John Balestreri, Walt Farrell.

Diane Wara called the meeting to order. The meeting began at 7:00 pm.

Minutes: The draft minutes of the previous meeting, February 4, 2013, were approved. The next regular Board Meeting is planned for Monday, April 1st, 2013.

Treasurer's Report:

The revenues on the February 2013 report had to be revised after FHA was informed by Bank of America that a check from a renter had been returned unpaid. The renter has still not submitted valid payment. Executive Assistant Jutta Lammerts is in contact with the renters and has set a deadline for receipt of full payment.

Sally then presented the report covering the month of February 2013. On the Revenue side, she pointed out, dues payments for the year 2013 in February amount to \$ 17,600 with Second Notices sent to the 75 households that have not yet paid. On the Expenditure side, personnel cost for the office manager has decreased as fewer work hours were spent on Clubhouse rentals (tours and administrative work) as a result of the closedown for most of the year 2013. There were no insurance payments in the month of February as the payment schedule prescribes that all payments be made within the first ten months of the insurance year; so there are no payments left during the remaining two months of February and March.- Monthly landscape maintenance cost has increased for the first time in four years to \$ 3,853. This increase had already been budgeted for. Architectural Services: in February, \$ 10,000 was paid for City permits, \$ 270 to Carey & Co. for preparation of and attendance at a pre-application meeting, and \$ 14,323 for architects' fees.

The Board voted unanimously to approve the Treasurer's Report.

President's Comments

Diane Wara announced that seven candidates have submitted their statements and will run for seven slots at the annual Board Election, to be held on April 1st. Sally Kipper and Kathe Farrell will not run again; Tom Cooke and David Aldrich are new candidates. The Board moved to approve the slate of candidates. Due to a scheduling conflict, the Candidates' Forum had to be moved to March 12. This date will be announced in the Election Letters which will be mailed to FHA members around the end of this week.

An extraordinary Board meeting dedicated to Clubhouse remodeling and financing questions will be held on March 20, 7 pm, at the Clubhouse. An email blast will be sent to FHA members to announce this meeting.

During the construction period, all materials currently stored in the Clubhouse and Office Annex have to be removed and will need to be stored. The Board approved to discard financial records, bills and receipts older than 7 years (in compliance with the legal requirement of preserving these for at least 5 years) and to conserve all documents of historical value. If space allows, the Board Meeting Minutes dating back to the inception of FHA will also be preserved. The Board moved to approve this list.

The antique tables in the Clubhouse and the piano should be wrapped professionally and might stay on site.

The plan is to rent storage containers which will be placed in the driveways in front of the garages. Executive Assistant Jutta Lammerts will research storage options.

Lastly, FHA needs to find an alternate venue for Board Meetings during the construction phase. Executive Assistant Jutta Lammerts will research options, especially the JP Murphy Clubhouse.

Advisory Committees

Activities – Dan McHugh:

The planning for the Lunar New Year Party and the Spring Egg Hunt are well under way.

Clubhouse Renovation - Paul Cooper:

The Board has received four bids from General Contractors for the Clubhouse Renovation Project. The bids are from Plath (\$498 k), Roebuck (\$538 k), Moroso (\$ 668 k) and Teevan (\$ 793 k).

A lively discussion among Board Members and others in attendance ensued with the result that Plath and Roebuck will continue to be reviewed for proposed final selection at the March 20, 2013, Board Meeting. Moroso and Teevan will be informed immediately that they will not receive the contract. The Board approved this course of action with Warren Krauss opposed. The Board then discussed options for adding back some of the alternate work into the scope of the contract, namely repaving of the brick patio (\$ 21 k, Plath bid), which could be done later and not necessarily in conjunction with the Clubhouse remodel; replacement of the hardwood floors (\$ 11k), plywood construction when roof is replaced (\$ 7k, Plath bid); and chimney bracing (\$ 5.5 k, Plath bid), which should be done in conjunction with re-roofing.

Currently there remains one planning issue to be resolved: the current architectural plans would result in a reduction in size of the apartment by 35% while the Planning Department/Building Code only allows for 25% reduction of rental space. However, this rule may not really apply to the FHA situation since the apartment has not been occupied since 2007 and will not go back on the rental market; moreover, the Clubhouse is not an “apartment,” which is how the planning zoning ordinance is written. Carey & Co. have drafted a letter of determination to the City Planning Department requesting that this requirement be waived in our case. Once this matter is resolved and the necessary permit granted, FHA is ready to sign a contract with the construction firm of choice. After today’s meeting, a Letter of Determination was submitted to the City on Tuesday, 3/5/13.

Clubhouse Remodel Finance Committee – Eric Buonassisi:

Eric reported that after extensive negotiations with five financial institutions (BofA, First Bank, First Republic, Wells Fargo, Mechanics Bank) only First Bank will offer a suitable loan to FHA. The loan will amount to \$ 500,000 with a 1% origination fee and 5% interest rate. During the first year of construction, FHA can withdraw funds as needed and will only be charged 5% interest on the funds actually withdrawn. After that first year, FHA will repay the loan as well as interest for 72 months, followed by a balloon payment or refinancing. The necessary funds will be available before the start of the construction work. All contingencies imposed by the bank have been removed. First Bank is now asking for a standard Letter of Opinion from an attorney. Eric submitted the standard document used by First Bank, and the Board agrees that this document contains passages not applicable to FHA and needs to be rewritten. The Board also discussed whether to choose the attorney on retainer or a lawyer recommended by First Bank. The Board is going to endorse the Letter of Opinion before it is actually submitted. Warren and Dan will bring this matter back before the Board. Once all requirements imposed by First Bank have been met, the Board will certify loan acceptance from First Bank.

The Board moved to approve this course of action.

Diane Wara officially thanked Paul Cooper and Eric Buonassisi for their hard work.

Finance Committee / Eric Buonassisi

Eric reported that the accounting firm that provided a Financial Review Report to FHA in December 2012/January 2013, Levy-Erlanger CPA, offered to prepare annual tax returns to FHA at \$ 495, or a combination of a financial review together with the tax return at \$ 2,295. This is substantially less than the accounting firm currently used by FHA (Butterfield-Brown CPA) is charging. Eric recommended using Levy-Erlanger from now on and to have them prepare tax returns only in this year and both tax returns and audit in the following year.

The Board moved to approve this plan.

WTPCC

Walt Farrell reported that WTPCC is currently involved in the 19th Avenue/Park Merced restructuring project and is monitoring the opening of a new restaurant “La Boulange” in West Portal. He also reported that UCSF is pushing for removal of non-native tree species from Mount Sutro (and possibly from Mount Davidson as well), namely Eucalyptus trees, which could result in the loss of thousands of trees. This is a very contentious issue among conservationists.

Adjournment: There being no further business, the meeting was adjourned at 8:45 pm.

Respectfully submitted,
Jutta Lammerts