

**FOREST HILL ASSOCIATION
BOARD OF DIRECTORS MEETING
September 9, 2013**

Board members present: Diane Wara, Dan McHugh, David Aldrich, Thomas Cooke, Paul Cooper, Eric Buonassisi, Warren Krauss.

Others in Attendance: Clorinda Aldrich, Mel Bachmeier, Yen Bachmeier, John Balestreri, Katie Balestreri, Jim McHale.

Diane Wara called the meeting to order at 7:00 PM.

Minutes: Draft Minutes of August 12 meeting were approved.

Presentation of Proposed Outsourcing of Bookkeeping Services - McHale Financial Services CPA

Treasurer Eric Buonassisi reported that Levy-Erlanger CPAs had recommended that FHA should consider outsourcing the bookkeeping and accounting operations to separate the check writing and handling of cash from those with access to the accounting software used to transact FHAs operation expenses throughout the year. The Finance Committee (Sally Kipper and Eric Buonassisi) interviewed three accounting firms to seek proposals to take on this task. They met personally with each and described the accounting processes and reporting that would be required and then received proposals from each (ranging from 10 to 20 pages each). The full Finance Committee met in early August to review each proposal and is recommending McHale Financial Services as the successful bid for our bookkeeping services. Founder and CEO, Jim McHale, was introduced to the Board and answered questions from the Board. McHale uses a newer version of QuickBooks accounting program which FHA has been using so the data conversion should be straightforward. The monthly cost for their bookkeeping and accounting services incl. check processing, payment management, monthly accounting reports, and Accounts Receivable Reports is \$ 600. Any additional tasks not currently envisioned will be billed on an hourly basis (bookkeeper \$ 50/hr and accountant/manager \$ 100/hr) Any expenses beyond the monthly flat fee and minimal incidentals will need to be approved by the Board.

Finance Committee member Mel Bachmeier outlined the process for invoicing homeowner annual dues and to process the payments.:

- 1.) validate home ownership in the access database program (has to be done manually) – will be done by Yen and Mel Bachmeier this year;
- 2.) export and record this information in the QuickBooks program used by both FHA and McHale Financial; format and print invoices through a data service, e.g. South Data;
- 3.) In the future, homeowners' payments will be received directly by the bank lock box. The bank will generate reports on a daily basis (both hard copy and electronically) reflecting the payments received;
- 4.) Repeat notices for late payers will be sent out by the FHA office or outsourced if the expense is manageable from late fees.

The Finance Committee will finalize this process which will be reviewed by the Board during the November Meeting, in time for 2014 invoices to be generated and mailed December 1st, 2013. The South Data statement mailing services have been quoted at under \$600 a year for postage and generation of the statement with the scan line added to the coupons mailed to homeowners.

A lively discussion among Board and Finance Committee members ensued – issues discussed: the cost of outsourcing accounting services will partially be offset by savings on the work time of Yen Bachmeier and Jutta Lammerts. Board Meeting dates should be kept at second Mondays of each month to allow the accounting firm sufficient time to prepare the prior month's financial report. This will require a change in FHA By-laws to be discussed during the October meeting. The services of the accounting firm will include an end-of-year financial statement as requested by First Bank in the context of the Clubhouse Loan requirements.

Diane Wara moved to accept the proposal by McHale Financial Services on the condition: that Eric Buonassisi prepares an engagement letter ready from McHale for signing by both parties. Warren Krauss advised that it include verbiage that in case of business separation all data will be returned to FHA immediately.

The motion was accepted unanimously.

Treasurer's Report: Eric reported that expenditures are below budget, given the Year-to-Date figures, except for insurance costs (due to uneven distribution of insurance payments during the year) and professional services (an expenditure of \$ 575 for legal services with only \$1,000 budgeted for the year) – lawyer review of the Clubhouse Rental Agreement draft.

Eric changed the debit account for debt service from Capital Account to Operating Account to better reflect these expenditures in an ongoing budget. Draws have been postponed as much as possible to minimize interest cost and we expect to be under budget by a couple of thousand dollars for the year.

Clubhouse rental income for the remainder of this fiscal year is budgeted at \$ 32,800. Jutta Lammerts will prepare a report about CH rental income for the years 2010, 2011 and 2012, broken down by renter category.

President's comments:

Diane Wara formally thanked Yen Bachmeier and Jutta Lammerts for their work in overhauling the Clubhouse web page. She invited suggestions on how best to promote Clubhouse rentals; Paul Cooper will contact the SF Chronicle, Warren Krauss will contact the author of the Maybeck book featuring the Clubhouse. Eric Buonassisi will invite the Bank representatives from First bank and First Republic and Jutta Lammerts will invite event industry professionals to the reopening party. Yen Bachmeier, with assistance from Dan McHugh and Diane Wara, will prepare a program flyer for this party.

Advisory Committee Reports:

Clubhouse Report: Paul Cooper had only minor change orders to report (locks for kitchen cabinets and required application of a protective film on glass panes up to 18 inches height). The main task remaining is interior painting; all work is currently on schedule.

The Boy Scouts will help paint small inside areas in the Clubhouse. Diane Wara thanked the Boy Scouts officially for their engagement with our the community. She then presented carpet and upholstery choices for the Clubhouse interior.

Architectural Review Committee:

Paul Cooper had nothing to report. He will not be available to chair this committee but agreed that an Architectural Review Committee report should be presented during the October meeting.

Activities:

Dan McHugh reported that for the Clubhouse reopening on October 6, Knights' Catering has offered a substantial discount on their food and service. Wine and Beer will be purchased from Wine Trading Company at a discount, and appetizers and dessert will be donated. A pianist will perform at a cost of \$ 140. Paul Cooper is preparing a slide show demonstrating the construction work done. The total cost for the event will be ca. \$ 3,000. Yen Bachmeier offered to take photos for free. The Garden Club will have a promotion table, and another table will hold framed logos/business names of the event sponsors.

Communications/Newsletter:

David Aldrich plans the next newsletter for early November with an article submission deadline of October 21st. He suggested a report of the CH Reopening Party, a wrap-up of construction work by Paul Cooper, and a preview of December events by Dan McHugh.

Infrastructure:

In the absence of Chairman Dan Kelly, Warren Krauss reported the committee will have a meeting with the DPW superintendent in charge of the City stairs in order to address FHA concerns about stair maintenance, curb and median strip replacement/maintenance, street repairs and other infrastructure issues. The meeting is Friday, September 13th, 11AM at 9th and Pacheco. A walkthrough will occur.

Traffic Calming efforts are moving forward after several meetings with DPW representative Nick Carr. This collaboration has yielded a list of intended traffic calming measures throughout the neighborhood (e.g. a mini traffic circle at the Pacheco/Dewey "Butterfly," speed bumps, pinches, and a row of small planted islands on Pacheco Street. Another meeting, open to the community, is planned for late October.

Legal and Governance:

No report

Trees and Landscape:

No report.

WTPCC:

No report.

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

Respectfully submitted,

(David Aldrich)