

**FOREST HILL ASSOCIATION**  
**BOARD OF DIRECTORS and ANNUAL MEETING**  
April 14, 2014

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

**Others in Attendance:** David Warner, Kenny Kung, Rigo Cabezas, Paul Bessieres, Bernard Roazan, Sally Kipper, Phil Kipper, Alan Hicks, Mr. Wan Kin, Kathe Farrell, Walt Farrell, Paula Fracchia, Gary Fracchia, Harold Wright, Donna Earhart, Bill Wara, Mark Watts, Sima Talai, Mary Pitts, Laurence Pitts, Dena Aslanian-Williams, Clorinda Aldrich, Pansy Waller, Mel Bachmeier, Yen Bachmeier, Charlene Kiesselbach, Jane Smith, Michael Caredon, Bonnie Jones;  
Diane Wara called the meeting to order at 7:00 PM.

**Special Order of the Day:**

**Board Election:** Inspector of Elections, Dan McHugh welcomed the community members and those who were nominees for the 2014 FHA Board positions. The six nominees spoke briefly about their goals for the Board and Community and answered questions of the attendees. Then, Diane Wara announced a break period for wine and cheese, provided by the FHA Garden Club.

The Board Meeting reconvened at approximately 8 PM.

- Minutes from the March 12, 2014, Board meeting were reviewed and approved;
- **March Financial Report:** Eric Buonassisi presented the March financial report concluding the fiscal year 2013-2014. There were no unexpected expenses during March and the closing cash balance reported on the Balance Sheet is \$384,048.73. The Landscape annual budget was underspent by 7% (\$7, 897), while Clubhouse Maintenance was overspent by approximately \$12,664, representing necessary clubhouse maintenance not covered by the renovation contract with Plath and Co. Community Events finished the year \$2,755.34 over budget representing the expenses for the Clubhouse reopening party. Clubhouse Rental income, disrupted by the 6 month clubhouse renovation project, brought in \$28,550 compared to the \$32,800 budgeted for the year. Rentals have increased during the last quarter and Eric congratulated Jutta Lammerts for a job well done. For FY 2013-14, the FHA received \$288, 615 total income and spent \$252,870, moving \$35,745 of surplus to the Reserve Account. The financial report was approved by the Board
- **Annual Assessments Update:** Eric Buonassisi updated the collection of annual assessment dues. As of March 31, \$18, 973 in dues remained uncollected reflecting 40 late payers. Letters and emails have been sent to each late payer with interest fees added; annual assessments received represent 98.9% of

expected payments and is in line with previous years. The FHA has 9 remaining property liens, a decrease from 12 liens in 2012.

- **2014-15 Budget:** Eric Buonassisi presented the proposed 2014-15 budget for Board discussion and approval. Eric and the Finance Committee proposed a budget of \$337,215, an increase from the \$252,870 spent last year. . The increased expenditures reflect the debt service expense which will increase from \$14, 976.08 to \$57, 525 as our loan begins amortization over the next 10 years Eric projected an anticipated 25% increase in homeowner assessments next year representing an increase from the past 5 year rate of 85 mils to about 105 mils. The average increase over the past 3 increases has been 38%/year for the following five years. A vigorous discussion followed with requests for a specific justification for the anticipated expense increase rather than looking at past , historical increases. The Board has already requested an update of the 2011 Reserve Study to account for the Clubhouse renovations and its impact on reduction of our required Reserve Funding liability. The funds not needed in the Reserve fund could then be applied to pay down the Clubhouse loan and reduce future budgeted interest expense. After discussion, the Board approved the budget with Warren Krause abstaining.
- **Clubhouse rentals:** Diane Wara presented the Clubhouse rental statistics for Jutta Lammerts. Since the previous Board meeting, the Clubhouse was shown to 8 parties with 6 closed contracts. From mid-April to the end of the calendar year, 20 contracts (\$30,100) have been signed with deposits (50%) received and two pending.
- **Garden Club Annual Report:** Yen Bachmeier presented the Garden Club annual report. Community Service included the annual food drive from which 3 barrels of canned goods and \$885 were donated to the San Francisco Food Bank. Arts and Culture included a session with a De Young docent to discuss the Georgia O'Keefe exhibit. The Garden Club sponsored the annual Holiday dinner dance, a St Patrick's Day party, and a fundraiser for "Moms Against Poverty" hosted as a Persian feast with Eastern music and a belly dancer. Diane Wara thanked Yen for her presentation and the Garden Club for their ongoing contributions to our Forest Hill Community.
- **San Francisco Ordinance for In-Law Apartments:** Dena Aslanian-Williams reported that the SF Ordinance was passed April 8<sup>th</sup> and likely will be signed by the mayor. There are 30,000 to 40,000 illegal units in the City. The Ordinance applies to units in existence prior to January, 2013. By request, the City will review a unit for compliance and, if in compliance, will authorize the unit. This authorization will remain in perpetuity, even with the sale of the unit by the property owner. The ordinance is not meant to include areas such as FH, an RHD neighborhood as reflected in our FHA homeowner agreement.
- **Thank you to Paul Cooper and Dan McHugh -** Diane Wara thanked Paul and Dan , outgoing Board members, for their contributions to the Association and to our community. Diane thanked Paul for his endless work on the Clubhouse Renovation, without which it is unlikely that the work would have been completed. She thanked Dan for his expert leadership of the Forest Hill Association sponsored events during the past two years. The events include the

summer barbecue, Halloween party, children's Christmas party, annual Lunar New Year's celebration and spring egg hunt at the clubhouse.

Election Results – Dan McHugh announced the Board election results. Ballots were received from 287 FHA members with 275 valid, 12 invalid and 2 members submitting empty ballots.

Votes by candidate:		Candidate rank
David Aldrich	259	3
Eric Buonassisi	259	3
Tom Cooke	256	5
Warren Krauss	248	6
Diane Wara	263	2
*Mark Watts	267	1

\*As the recipient of the largest number of votes, Mark Watts was appointed President, FHA Board effective immediately.

Minimum number of votes per candidate to be elected (25% of voting power of 741 votes)	186
Quorum (35% of voting power of 741 votes)	260

Diane Wara adjourned the Board meeting at approximately 9:30 PM.