

FOREST HILL ASSOCIATION
BOARD OF DIRECTORS MEETING
September 8, 2014

Board members present: Mark Watts, Kathe Farrell, Diane Wara, David Aldrich, Thomas Cooke, Eric Buonassisi, Warren Krauss

FHA Members in attendance: Clorinda Aldrich, Rigo Cabezas, Paul Bessieres, Dena Aslanian-Williams, Marcia & Mark Elias, Harold Wright, Jim Earhart, Angela O'Donnell, Patrick & Veronica Bell, Todd Darling, Deirdre & Jerry O' Leary, Rick Hills, Chris & Jim Storm, Kathleen Darling, Francesco Lettieri, Pete & Bernie Naughton, Ron Wong, Amy Quirk, Trent & Elizabeth Moore

Community Attendance: Janette Najar

Mark Watts called the meeting to order at 7:00pm.

Minutes: Draft minutes of the July 14, 2014 meeting were approved.

Treasurer's Report:

Eric Buonassisi presented the treasurer report for the month of August, our 5th month of this fiscal year. Highlights are below, 12 page report attached.

- With the summer and 42% of the budget year in the rear view mirror, our total expenses remain under budget at 39% of the budget – a 3% cushion. We know that Landscaping and Community Events will be experiencing higher than normal monthly expenses in the next two months as summer pruning costs and the successful picnic expenses are paid. Clubhouse rental income continues to be well ahead of the budget and represents 64% of our \$66,400 forecast. This is despite our first event cancellation which took \$1000 away from our August rental revenue. This was a member sponsored event in December 2014. Maintenance assessments were unchanged with 4 delinquent accounts still remaining. August late letters with added late fees were mailed to each of them last week.
- **Expenses compared to prorated budgets for 42% of the year:** Through 5 months of the fiscal year, expenses are 39% of the budget. We have made expenditures totaling \$132,530 at this date – about \$8,090 less than budgeted on a monthly pro-rated basis. We still don't expect any difficulty in meeting our budgeted revenues and expenses which should result in a \$37,465 surplus added to our Reserves at fiscal yearend.
- **Under Budget so far:**
 - Personnel expenses continue below budget but have increased from last month to 36% of the annual budget.
 - Utilities are under budget at 40% with gas and electric a little over (46%) and Water, sewer and telephone under (31% to 41%)
 - Landscaping is currently well under budget at 28% but we know that extra tree removal, planting, pruning and sidewalk trimming expenses will be right around the corner
 - Office expenses are less than 14% of the \$6,730 annual budget

- Community & Communications expenses are 38% of the \$28,150 that we have budgeted for FY 2014-2015. The picnic expense will hit the books in September and will put this category back on a more normal path.
- **Over Budget so far**
 - Clubhouse expenses are running at 61% of the annual budget with agreed maintenance projects front-end-loaded and this sub category representing 54% of the entire Clubhouse budget of \$37,480! Electronic security is at 50% because we just paid a quarterly invoice in August, prepaying the other 2 future months. Event Cleaning is following increased rentals and will be directly proportional as we continue to exceed rental bookings and events that require cleaning.
 - Debt Service is over budget at 44% because of the 2013 \$5000 loan origination fee that was moved from the balance sheet (capital item during the Renovation) to the operating budget (April 2014). Additionally, Union Bank corrected the June, July, and August loan payments taken from our operating account to more closely resemble the \$5321.03/month that they originally told us would be charged each month starting in June. They actually were charging \$4166.67 each month since June. Going forward, we will see \$5321.77 taken out each month in principal and interest.
 - Professional Services, at 48% of the annual \$16,600 budget, are under control and fully funded for the remaining \$8,680 that is left for planned expenditures. The tax preparation, Reserve Study and Financial Review have all been completed on budget in the first half of the year.
 - And finally, Insurance is 71% of the budgeted \$18,780 but is on target to meet the annual number. We prepay for much of our insurance with the impact felt in first 8 months of the year.
 - Harold Wright questioned why we paid \$800+ for the ice cream truck for the picnic.
 - Harold Wright questioned what Yen Bachmeier's does and why her timesheets do not say what she does?

Treasurer's report approved unanimously.

2015 Assessment increase discussion:

- Finance committee feels we can pay down \$100,000 of principal at the beginning of next fiscal year
- Finance committee suggested a 20 mill increase in the HOA dues - a 23.5% hike from the previous 5 years
- In the next 10 days, a notice must go out to all FHA members and non-members notifying the FHA community of the increase to allow adequate time for feedback. FHA members have the next 2 FHA Board meetings to make comments and ask questions to the Board. After 60 days the Board will vote at the November Board meeting to accept the Finance Committee's recommendation or modify it.
- Recommendation was made to post the Forest Hill Agreement on the FHA Website.

Advisory Committee Reports:

Legal and Governance (presented by Warren Krauss):

Warren brought to the attention of the attendees that The Board violated its own policy, by giving out its members information for the Friends of the Forest Hill mailing.

Mr Krauss stated that the Board had agreed that no communication from FFH would go out to our owners unless the language of same was expressly approved by the Board. He reminded the Board that this procedure had already been approved by the Board at the previous meeting and must be followed in the future.

Warren Krauss further reminded the Bd that it's reasoning and votes must be exposed to the owners to reduce the possibility of corruption. With rare exception, there should be no more secret or so called "email votes", with all of their attendant dangers. The Board's business, (except for Claims and some personnel matters) must be conducted before the owners. Diane Wara stated her agreement to this policy.

Mr Krauss then stated that the summaries presented by Treasurer EB must be sent out to the members with a cover letter explaining the rights, timing, and obligations of the members re a potential assessment increase. Mr Krauss asked EB to quickly draft such cover letter for review by the Board. Tom Cooke indicated that such important letter must be reviewed by the Legal & Governance chair for legal sufficiency. No Director voiced opposition to this procedure.

Dena Ashlania-Williams objected to the language and characterization in which Warren conveyed the discussion.

Activities (presented by Tom Cooke):

Tom Cooke discussed the great success of the attendance of the FHA Picnic on August 31st where almost 300 people attend. Lizard Lady and Ice Cream Truck was a huge success and a great number of new and young families came out. Harold Wright did bring up concern on spending \$800+ on the ice cream truck.

Clubhouse and Architectural Review Committee (ARC):

- Trent Moore discussed his ongoing attempt and intent to work with the neighbors of the FHA. He brought a document that had 102 signatures from FHA members stating they support the second revised plans to develop 2181 9th Ave. He noted that 8 of the original 19 FHA residents who originally objected to the first revised plans, were now in favor of the second revised plans, leaving 11 residents from 6 different addresses.
- The Moore's architect was also at the meeting to support the project and to confirm that they have listened to the concerns of the FHA residents and have lowered the parapets as well as the overall height. The overall height is 30'-0" (2'-0") lower than the last revision. Liz Moore stated she is working with the next door neighbors, The Hong's, to address privacy issues regarding the windows overlooking the neighbors back yard/bedroom window.
- Neighbors not in favor of the revised plan stated the new design still is too large, too tall for the lot, scale and bulk is too large as well as too modern(pattern breaker).
- The Board made a motion to send a letter to Delvin Washington, SW District Leader San Francisco Planning Department. 6 in favor 1 objection. (Letter attached as reference).
- Liz Moore asked that in the interest of fairness to state how many were in favor along with the comment of how many neighbors were not in favor.

- Board discussed that they were “not approving” the plans but rather “not objecting” to them. Discussion was also held regarding not having a caveat that several neighbors approved/object to the project As part of the Board vote to send a letter to Delvin Washington (6 in favor, 1 objection) the Board agreed to include in the letter the caveat that several neighbors objected to the project as currently designed.

Clubhouse New Rental Policy:

- Janette Najar discussed 4 new rental rates for the Clubhouse.
- The reduced rental rates are only available 30 days in Advance of the date of renting and only for events 4 hours in length or shorter.
- The rental rates are as follows:

Member (Monday-Thursday) :	\$500
Member (Friday-Sunday):	\$700
Non-Member (Monday-Thursday):	\$1000
Non-member (Friday-Sunday):	\$1200
- Additional verbiage added to the contracts will be: The renter may not enter the Clubhouse prior to their start time and must depart promptly. If the rental time is exceeded, the renter will be charged \$200/hour.
- If renters request delivery or pick up by a vendor outside of rental hours, the clubhouse manager may use her discretion and when possible will provide access to the clubhouse to accommodate the vendors schedule for an additional fee of \$50/hour (not prorated).
- Renter shall pay the entire Rental Fee plus the security deposit before securing the reservation.
- Member Renters are not allowed to sponsor an event for a Third Party at the reduced rate.

Communications/Newsletter: No Report

Infrastructure: (No Report)

Trees and Landscape: (No Report)

West of Twin Peaks CC: (No Report)

Garden Club: (No Report)

Mark Watts moved to delay discussion of the following agenda items:

1. Pocket Opera Dates for 2015
2. Friends of Forest Hill Procedures
3. Noise Sign
4. Board Book

FHA Board asked that the Articles of Incorporation and Bylaws of the Friends of Forest Hill be sent to the FHA Board.

There being no further business, the meeting was adjourned at 9:10pm

Respectfully submitted,
(Janette Najar)

Clubhouse Rentals:

- Janette Najar was NOT able to present a summary of rental contracts as the meeting ran long. However, below are the rental statistics since the last Board Meeting in July. In the past two months, eight (7) new contracts have been received and the Clubhouse has been shown to 13 potential renters. The seven new contracts total \$11,700 with 43% being rented by members, 66% rented by members sponsoring non-members, and 57% rented by non-members.
- One event cancelled since last July 2014 FHA Board Meeting resulting in a loss of \$1000 rental fee.
- The “Here Comes the Guide” online advertising site was viewed 476 times in July with a click-through rate of 18.07%.
- 2014 statistics:

56 Total Contracts for calendar 2014 is \$70,050	37 members	66% members
	26 nonmember	34% non member
- Projection for Calendar 2014 **\$73,800**