

Fountain Hills Community Association
Board of Directors Meeting
April 3, 2014

The Board of Directors of Fountain Hills Community Association held a Board of Directors Meeting at the Upcounty Regional Services Center on Thursday, April 3, 2014 at 7:30 p.m.

Board Members Present:

Jackie Arnold, President
Nicolm Mahabir, Vice President
Hari Donthi, Secretary
Tom Brennan, Director (Arr. 7:55 p.m.)
Steven Muse, Director
Frank Walsh, Director

Also Present:

Stephon Collins, Community Manager
Ruth Ann Allen, Recording Secretary

Board Member Absent:

Harry Matchett, Treasurer

Homeowners Present:

Bill Renner, 18834 Porterfield Way
Siu Poon, 19020 Noble Oak Drive
Tim Smith, 13327 Tivoli Fountain Court
Ana Olariu, 13246 Autumn Mist Circle
Marco Mazzarino, 18721 Autumn Mist Drive
David Holtzman, 18715 Sparkling Water Drive
Vernard McBeth, 13108 Lake Geneva Way

A. CALL TO ORDER

The April Board of Directors Meeting was called to order by Jackie Arnold at 7:33 p.m.

B. HOMEOWNER OPEN FORUM

1. Ana Olariu, 13246 Autumn Mist Circle, noted that several years ago the cherry trees by her house were cut down and replaced with shrubs. Ms. Olariu stated that this was upsetting as they were beautiful trees and there is no landscaping value in the bushes that were planted. Ms. Olariu inquired if there was something else that could be done to improve this area.

The Board noted that they were looking for volunteers to be on the Landscape Committee. Ms. Olariu sated that she was interested in being on the Landscape Committee.

2. Bill Renner, 18834 Porterfield Way, noted that, after the last snowstorm, there are several locations where the gravel has been pushed out of alleyways or cul-de-sacs

and dumped onto nearby grassy areas, and the that grass may not come back.

Mr. Renner also noted that a moving van for a home on Noble Oak Drive drove up on the curb and left a single large rut. He also noted that a large dumpster has been left by the house. Management stated that the landscape company has been notified of the rut and they will re-grade the area.

Mr. Renner also noted that it was a shame that Vanguard Management will no longer be the management company for the community. Mr. Renner noted that Vanguard is one of the better management companies, and the quality of the management company is reflected in the community. Mr. Renner stated that the Board should treat others as they want to be treated. Mr. Renner also noted that the cheapest contractor is not always the best contractor.

Mr. Renner stated that the current budget looks sound.

3. Siu Poon, 19202 Noble Oak Drive, chair of the Social Committee, stated that Vanguard Management has done a good job in the community and is sorry to hear that they are leaving.

Ms. Poon also provided the Board with the tentative schedule of the Social Committee events for 2014.

4. Marco Mazzarino, 18721 Autumn Mist Drive, stated that he was concerned about Vanguard Management leaving as the management company of the community. Mr. Mazzarino inquired about the reasons that Vanguard was leaving. It was noted that Vanguard was not happy with the current situation and the communication between the Board and Management. Mr. Mazzarino noted that another management company may not want to take on the community if they know the reasons Vanguard left. Mr. Mazzarino also noted his concerns about management of the community's investment portfolio during a change in management.

Mr. Mazzarino also noted his concern that the Board is currently acting as the ACC.

5. David Holtzman, 18715 Sparkling Water Drive, inquired if the special meeting of the Board on March 23rd was announced to the community. The Board stated that the meeting was a Closed Meeting, it will be noted in the Board Meeting minutes, and minutes were taken at the meeting.

Mr. Holtzman stated his concerns about changing management companies. He noted that when the Condominium was looking for a new management company it was time consuming and stressful. Mr. Holtzman noted that the Board needs to reflect on how they reached this state of affairs and that the Board is responsible for finding a solution. Mr. Holtzman requested that the Board sit down with Vanguard and attempt to mediate a solution or an extension. Mr. Holtzman stated that it is better to have time to plan, manage, and finance a change in management companies.

6. Tim Smith, 13327 Tivoli Fountain Court, noted that the problems seem to have

been going on for years and that history cannot be rewritten.

Hari Donthi noted that the Board is looking at solutions to make the community better. It was also noted that the minutes from previous meetings are posted on the website to allow homeowners to get a sense of the history of the community.

Tom Brennan noted that, as Vanguard Management is the party who decided to end the business relationship, questions about why they are leaving should be directed to Vanguard.

7. Tom Brennan, 19002 Mediterranean Drive, read an email concerning the search for a new management company that he sent to the Board as a homeowner. He noted that the Board needs to address the risks and the impact financially to the community. Mr. Brennan noted that the monthly assessments did not keep up with inflation and, as a homeowner, he does not want to see additional costs. Mr. Brennan also noted that the budget could possibly remain as it is; however, there is the possibility the turnover may lead to a large increase in fees.

8. Steve Muse, 18804 Porterfield Way, noted that the budget has been stable over several years. Mr. Muse noted that, as a homeowner and Board member, he is confident that there is another management company out there that can be successful in Fountain Hills.

9. Frank Walsh, 18711 Sparkling Water Drive, noted that he would prefer to work things out with Vanguard at this time instead of rushing to find another management company.

10. Nicolm Mahabir, 19009 Mediterranean Drive, noted that he was concerned that the reserves of the Association will be depleted and that the community landscaping will go downhill. Mr. Mahabir noted that the issue between the Board and Vanguard did not happen overnight, and there have been many insults, as well as shouting and derogatory statements. Mr. Mahabir noted that the Board has been dysfunctional, which has hindered progress in the community. Mr. Mahabir stated that Vanguard has made mistakes, but Vanguard also took a lot of abuse.

11. Vernard McBeth, 13108 Lake Geneva Way, noted that he did not feel that the community should keep Dunlevy as the landscape contractor as the quality of their work does not reflect the high price the community pays for their work.

Mr. McBeth also stated that the relationship between the Association and Vanguard is beyond repair and the community needs a fresh start with another management company.

1. Spring Pool Repair

Management provided the Board with a proposal from RSV Pools for the spring pool repairs at a cost of \$4,797.76.

Management also provided a proposal from RSV Pools for replacement of the main drain covers in all pools at a cost of \$1,401.80. The current drain covers were installed in 2009 and Maryland requires that these drain covers be replaced every five (5) years.

MOTION: (Frank Walsh/Nicolm Mahabir) Approve the spring pool repair proposal from RSV Pools at a cost of \$4,797.76.

Tom Brennan inquired about replacement of the lights at the pool and if the water fountain was working. Management reported that two (2) of the lights had been replaced last year, and other lights need to be replaced this year. Management also noted that it will not be known if the water fountain is working until the water is turned on.

Vote: Motion Passed - 5 ayes/0 nays/1 abstention (Brennan)

MOTION: (Frank Walsh/Tom Brennan) Approve the replacement of the main drain covers as required by the State of Maryland for \$1,401.80.

Vote: Motion Passed - Unanimous

2. Fountain Repairs

Management provided the Board with a proposal from Community Pools for repairs to the three (3) fountains in the community, which are located on Fountain Hills Drive, Mediterranean Drive, and Fountain Club Drive. The total cost of these repairs is \$92,100.00, which is a reserve expense. Management noted that the fountains have passed the useful limits of their lives. Management stated that the fountains may not work if the repairs are not done and the repairs to the fountains are very costly. The Board requested that Management provide proposals from three (3) contractors for replacement of the fountains.

3. Payment of Attorney Fees

Management provided the Board with the latest invoices from legal counsel totaling \$4,972.50 for the CCOC cases and collection related items. Management also received the bill for the Annual Retainer from legal counsel for April 1, 2014 through March 31, 2015. The bill is for \$2,700.00. Management inquired if the Board wanted to pay the retainer or wait, as the Board is considering new legal counsel. Any unused portion of the retainer would be reimbursed to the Association in the event legal counsel is replaced. The charges for services of legal counsel without a retainer would be paid out of pocket for services rendered.

MOTION: (Tom Brennan/Steven Muse) Do not pay the retainer of \$2,700.00 to Thomas

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The Board requested that all invoices from legal counsel be placed in the Management Packet each month for the Board's review.

4. 18924 Fountain Hills Drive

Management received correspondence from 18924 Fountain Hills Drive requesting a waiver of a \$5.00 late fee and a \$35.00 return check fee. The return check fee would be a hard cost for the Association.

MOTION: (Frank Walsh/Tom Brennan) Waive the \$5.00 late fee, but not the \$35.00 returned check fee, for 18924 Fountain Hills Drive.

Vote: Motion Passed - 5 ayes/0 nays/1 abstention (Arnold)

5. 13512 Hamlet Square Court

Management received correspondence from 13512 Hamlet Square Court requesting a waiver for a \$5.00 late fee.

MOTION: (Tom Brennan/Nicolm Mahabir) Waive the \$5.00 late fee for 13512 Hamlet Square Court.

Vote: Motion Passed - 5 ayes/0 nays/1 abstention (Arnold)

6. 18725 Harmony Woods Lane

Management received correspondence from 18725 Harmony Woods Lane requesting a waiver of a \$5.00 late fee and a \$35.00 return check fee. The \$35.00 would be a hard cost for the Association.

MOTION: (Tom Brennan/Hari Donthi) Waive the \$5.00 late fee, but not the \$35.00 returned check fee, for 18725 Harmony Woods Lane.

Vote: Motion Passed - 5 ayes/0 nays/1 abstention (Arnold)

7. 18749 Harmony Woods Lane

Management received correspondence from 18749 Harmony Woods Lane requesting a waiver of a \$5.00 late fee.

MOTION: (Tom Brennan/Frank Walsh) Waive the \$5.00 late fee for 18749 Harmony Woods Lane.

Vote: Motion Passed - Unanimous

8. 18919 Porterfield Way

Management received correspondence from accounting requesting a write-off of bad debt of \$6,472.65 to balance the account through June 30, 2013. Three (3) lawsuits have been filed, as approved by the Board. The court awarded judgments each time though not for the entire amounts sought.

Additionally, the current balance on the account is approximately \$550.00, which

MOTION: (Tom Brennan/Frank Walsh) Write off \$6,472.65 as uncollectible bad debt for 18919 Porterfield Way.

Vote: Motion Passed - 5 ayes/0 nays/1 abstention (Donthi)

MOTION: (Tom Brennan/Jackie Arnold) Close the case of 18919 Porterfield Way with Thomas Schild Law Group and reopen with a new attorney at the appropriate time.

Vote: Motion Passed - 5 ayes/0 nays/1 abstention (Walsh)

9. 13523 Niagara Falls Court

Management received correspondence from accounting concerning collection action for 13523 Niagara Falls Court. Legal counsel started the collection action in June 2013. Collection action was stopped when one of the homeowners filed for Chapter 13 bankruptcy protection in August 2013. The bankruptcy case was dismissed in October 2013. In late December, a short sale negotiator was working on the file to avoid foreclosure. At this time, nothing further has been received in this regard. Legal counsel is asking for the Board's approval to proceed with a personal lawsuit against 13523 Niagara Falls Court.

MOTION: (Tom Brennan/Hari Donthi) Temporarily put a hold on collection of the monies owed from 13523 Niagara Falls Court until a future date.

Vote: Motion Passed - 5 ayes/0 nays/1 abstention (Walsh)

10. ARC Application for 13213 Lake Geneva Way

Management received an ARC Application from 13213 Lake Geneva Way to replace the existing front door with a solid door with a peephole with suggested color choices of blue. The homeowner also submitted an ARC Application for replacement of existing windows with Pella vinyl windows in white to match existing windows.

MOTION: (Steven Muse/Nicolm Mahabir) Accept the ARC Application for doors and let the homeowner select the color for the front door.

Vote: Motion Failed - 3 ayes/3 nays (Walsh/Arnold/Brennan)

MOTION: (Nicolm Mahabir/Tom Brennan) Approve the ARC Application for doors and suggest that the homeowner use Hale Navy, Newburyport Blue, or Van Deusen Blue to paint the front door at 13213 Lake Geneva Way.

Vote: Motion Passed - 2 ayes (Mahabir/Brennan)/0 nays/4 abstentions

MOTION: (Tom Brennan/Jackie Arnold) Approve the ARC Application for replacement of the windows with Pella vinyl windows to match the existing windows at 13213 Lake Geneva Way.

Vote: Motion Passed - Unanimous

11. ARC Application for 18836 Porterfield Way

Management received an ARC Application from 18836 Porterfield Way for replacement of siding, which is like for like in coloring.

MOTION: (Tom Brennan/Hari Donthi) Approve the replacement of the siding in a like for like manner for 18836 Porterfield Way.

Vote: Motion Passed - Unanimous

12. 13520 Champions Way

Management received correspondence from 13520 Champions Way requesting an extension to the deadline for corrections of violations. The homeowner is requesting an extension until June 2014.

MOTION: (Tom Brennan/Hari Donthi) Extend the time to fix the violation notice until June 2014 for 13520 Champions Way.

Vote: Motion Passed - Unanimous

13. 13508 Rising Sun Lane

Management received a request from 13508 Rising Sun Lane for an extension to the deadline for correction of violations. The homeowner is requesting an extension of three (3) months.

MOTION: (Jackie Arnold/Frank Walsh) Allow a three (3) month extension for correction of violation for 13508 Rising Sun Lane.

Vote: Motion Passed - Unanimous

14. Personal Property Tax Returns

Management provided the Board with the Personal Property tax returns filed by the Association's auditor, The Goldklang Group, for their information and signature. It was noted that the Association did not owe any personal property taxes.

15. Deferred Tax Resolution

Management provided the Board with correspondence from The Goldklang Group requesting that the Board approve the Deferred Assessment Resolution.

MOTION: (Tom Brennan/Hari Donthi) Follow the auditor's recommendation and file with the corporate method and the Association elects to apply all or part of the excess assessment income to the following year's assessments and that such final amount shall be at the Board's discretion.

Vote: Motion Passed - Unanimous

16. Change in Management Collection Practices

The Board tabled any discussion on this matter.

17. Draft Audit

Management provided the Board with the FY2013/2012 Draft Audit from The Goldklang Group for their review.

MOTION: (Tom Brennan/Jackie Arnold) Accept the draft audit for FY2013/2012, ending June 30, 2013.

Vote: Motion Passed - 4 ayes/0 nays/2 abstentions (Muse/Walsh)

18. Draft Budget

The Board listened to comments from homeowners concerning the proposed FY2014 draft budget. Management stated that comments have been received from some homeowners and the Board stated that other comments have been received to the Board of Directors mailbox. David Holtzman had several specific questions concerning the townhouse assessments, property tax increase, liability insurance and write-offs of bad debt. Mr. Holtzman also noted that the covenants and By-Laws include a cap on general assessments and that the proposed budget exceeds those caps. Management will provide Mr. Holtzman with answers to these questions.

The Board requested that Management schedule time at the beginning of the May meeting to discuss the proposed draft budget for Fountain Hills Community Association.

19. Special Closed Meetings

On March 23, 2014, the Board of Directors held a special Closed Meeting in compliance with the Maryland Homeowners Association Act 11B-111(4) (I). It was noted that the draft budget was not discussed during this meeting.

The Board has scheduled another Closed Meeting on April 6, 2014 pursuant to 11B-111(4)(vi) of The Maryland Homeowners Act for the purpose of proposal/negotiation review.

It was suggested that the Board could hold an open meeting, if time allows, for homeowners to meet with the Board for discussion about the search for a new management company.

D. MINUTES

1. March 6, 2014 Minutes

The approval of the March 6, 2014 Board of Directors Meeting Minutes and the Closed Meeting Minutes were tabled until the May Board Meeting.

E. ADJOURNMENT

MOTION: (Jackie Arnold/Tom Brennan) Adjourn the Board of Directors Meeting at 9:38 p.m.

Vote: Motion Passed - Unanimous