

Corrected as approved on October 6, 2016

**Fountain Hills Community Association
Board of Directors Meeting
September 1, 2016**

The Board of Directors of Fountain Hills Community Association held a Board of Directors at the Germantown Upcounty Center on Thursday, September 1, 2016 at 7:30 p.m.

Board Members Present:

Tom Brennan, President
Nick Mahabir, Vice President
Harry Matchett, Treasurer
Frank Walsh, Secretary
Sherry Lee, Director
Siu Poon, Director
Hari Donthi, Director (Arr. 7:37 p.m.)

Also Present:

Julie Hoffmann, Community Manager
Ruth Ann Allen, Recording Secretary

A. CALL TO ORDER

The Board of Directors Meeting was called to order by Tom Brennan at 7:30 p.m.

B. INTRODUCTION OF NEW COMMUNITY MANAGER

Tom Brennan introduced Julie Hoffmann, the new community manager from IKO for FHCA. Ms. Hoffmann has been a community manager for six (6) years both as an onsite manager and a portfolio manager. Ms. Hoffmann is excited to be working with FHCA.

C. HOMEOWNER OPEN FORUM

1. Robert Love suggested that the community use capital improvements for landscaping and trees. Mr. Love's suggestion would be in the first year to cut major trees, the second year to prune trees, and the third year to chop up roots and improve ground cover.
2. Shruti Kamakia noted that during the paving work in Fountain Hills Condominium she had parked her car behind the swimming pool in the townhome section of the HOA, and her car was towed. Ms. Kamakia noted that the sign that parking is for townhouse residents only is small and couldn't be seen in the dark. Ms. Kamakia requests reimbursement of her towing expenses.

It was noted that a letter was sent to Condominium residents to park at the Liberty Mill Park & Ride and that the Condominium was seeking approval from the HOA to park on HOA property. Also, it was noted that matters of towing should be brought up to the Condominium Board. Frank Walsh stated that, as the HOA did the towing, this is a matter for the HOA and not the Condominium.

3. Joann Windsor welcomed the new community manager. Ms. Windsor requested that a formal announcement be placed on the website introducing Ms. Hoffman.
Ms. Windsor also requested that the County be asked to prune the trees on County streets located in Fountain Hills.
Ms. Windsor also inquired about the status of email addresses of homeowners to send out email blasts. Management noted that this is being worked on.
4. Harry Matchett suggested that the Board look at pruning/removing trees which are encroaching onto to resident's decks and properties.
5. Nick Mahabir noted that the had notified Management of a dangerous situation with an oversized tree and thanked Management for their prompt response. Mr. Mahabir also noted that trees should be looked at for safety issues in the community.
6. Frank Walsh noted his disappointment of the predatory towing by the HOA of Condominium residents during the paving work in the Condominium and that it was ridiculous that a member of the Board, Enforcement Committee and G&G Towing patrolled the area during the day to single out Condominium residents. Mr. Walsh noted that paying the towing fee is a hardship for some Condominium residents.

D. MINUTES

1. August 4, 2016 Board of Directors Meeting Minutes
MOTION: (Siu Poon/Hari Donthi) Approve the August 4, 2016 Board of Directors Meeting Minutes as edited by all Board members.
Vote: Motion Passed – 5 ayes/1 nay (Brennan)/1 abstention (Mahabir)
Harry Matchett suggested that it was not necessary to put the previous month's minutes in Management report as they are emailed to Board members separately. Nick Mahabir requested that the minutes remain in the Management report.

E. OFFICER REPORTS

1. Nick Mahabir, Vice President, stated that denying the Condominium's request to park on the HOA property was a terrible decision and did nothing to enhance the relationship between the Condominium and the HOA as members of a single community.

F. COMMITTEE REPORTS

1. Architectural Review Committee (ARC)
Robert Love noted that there are currently no Architectural Change Applications pending. The ARC did approve three (3) applications: a stone patio, a fence, and solar panels.
Mr. Love apologized to Condominium residents for the parking situation in the HOA and noted that he considers the parking enforcement to be out of control.

2. Enforcement Committee

Sherry Lee noted that thirty-five (35) vehicles were towed during the paving project at the Condominium and the number could have reached over sixty-seven (67) vehicles, as a number of people were warned not to park in the HOA while they were parking their vehicles. Four (4) vehicles were towed during the day even after their owners were warned not to park in the HOA. Ms. Lee also noted that she helped shuttle some people from the Liberty Mill Park & Ride parking lot to the Condominium and back.

Frank Walsh noted that the HOA does not tow vehicles from the single family homes that are parked in the pool parking lot, even though they are not supposed to park there. It was noted that cars from the single family homes cannot be distinguished from any other cars.

Ms. Lee noted that the towing procedures are in compliance with Consumer Protection and people can call Doug Numbers at 240-777-3645 to check on the towing regulations.

3. Pool Committee

Tom Brennan noted that the Pool Committee did not meet in August. Tom Brennan and Sherry Lee did take down the shower curtains from the bath house and scrubbed and soaked them in chlorine to clean them. New shower curtains and hooks will be needed in the pool house for next year.

It was noted that the pool has been cleaned well in recent days.

4. Social Committee

Siu Poon noted that a community picnic is scheduled at the pool on Saturday, September 3rd from noon to 4:00 p.m. The event will be held rain or shine. Community Pools has assured the Association that there will be enough staffing during the pool event.

G. MANAGEMENT REPORT

1. Financial Report

Management reported that the income for the month ending July 31, 2016 was \$69,365.00. The operational expenses were \$66,305.00 which resulted in a net gain of \$3,058.93.

Management noted that an error was noted on the approved budget for FY2017. The year 2017 was added in as part of the automatic sum function, resulting in an overage of \$2,017.00 under General & Administrative. Management noted that there is already a variance under line item 6157 (Property Taxes/Water Quality Protection Charge) of \$2,867.56, and the overage of \$2,017.00 can be added to that line item to account for this change.

MOTION: (Tom Brennan/Siu Poon) Add \$2,017.00 to the FY2017 budget into line item 6157 under General and Administrative.

Vote: Motion Passed – 5 ayes/1 nay (Matchett)/1 abstention (Walsh)

2. Reserve Contributions

Management noted that, although the balance sheet reflects contributions to the reserve fund, since the Association functions on an accrual basis, these contributions have not yet been made. Management inquired if the Board wanted to make the contributions of \$6,214.00 per month into the reserves.

The Board noted that the contribution into the reserves may have only been stopped for one (1) month during the transition of management companies, otherwise, regular contributions to the reserves should be being made. Harry Matchett found that, in January, the Board approved skipping the February contribution into reserves. Management will also double check on the past minutes to see if any other motions were made concerning the contribution to reserves. Management will also create a spreadsheet to show what the reserve account looks like along with the deposits.

Nick Mahabir noted that an email was received from Management that there was an error in the FHCA account and that the balance was way off. The Board inquired if there was any more information on what the status was on this issue. Management will check on this matter.

3. Pepco Taxes Refund

Management noted that Pepco has been contacted regarding the refund of the taxes to FHCA, but there is no news and that processing the reimbursement could take a while. The Board requested that Management check with Pepco regularly on this matter.

4. Open Invoices

Management received an invoice from Community Pools dated June 17, 2015 for a portable vacuum which totals \$1,908.00. Tom Brennan reviewed the meeting minutes as far back as March 2015 as was not able to find a motion approving any monies for the portable vacuum. Community Pools requests that the Board decide to either keep the portable vacuum and pay the invoice or Community Pools will take back the vacuum at no cost to the Association.

It was noted that the vacuum was supplied by Community Pools to assist in the backwash of the pool, however the portable vacuum seemed to be more non-operational than working. It was also noted that the pool seemed to have been cleaned without the vacuum when it was broken.

MOTION: (Tom Brennan/Sherry Lee) Have Community Pool Service take the vacuum and free FHCA from responsibility of paying the invoice of \$1,908.00.

Vote: Motion Passed – 4 ayes/0 nays/3 abstentions (Walsh, Mahabir, Matchett)

Community Pools will be leaving the portable life guard chair at the pool until the end of the season as they were not able to provide the truck to remove it in a timely manner and it may be needed for the pool party and Labor Day Weekend. The Association will not be charged for the chair. Management noted that an invoice is created when an item leaves the warehouse, which is why there are invoices for items that the Association did not purchase.

Tom Brennan also noted that he talked with Community Pools about the invoices for repairs to the guard chair and the ladders. Phil Carter, Community Pools, noted at the July Board Meeting that the cost for repair to the ladders would be \$400.00, however, the invoice came through as \$450.00. Mr. Carter also quoted a price to remove the guard chair for \$250.00, however, the invoice was for \$350.00. Community Pools has agreed to charge the amount quoted by Mr. Carter and will adjust the invoices.

The Board requested that Management ask Community Pools what happened to the parts from the life guard chair and ladder.

5. 2016 Financial Audit

Management noted that Goldklang Group is presently working on the FY2016 audit at the offices of IKO.

6. Investments

The Board requested that Management provide the yields on CDs for three (3), four (4), and five (5) years. After reviewing the rates, it was suggested that \$225,000.00 be invested in a CD to mature in five (5) years.

It was noted that the biggest upcoming needs from the reserve funds are expected in 2017 and 2020 and that these expenses should be covered by CDs scheduled to mature in those years.

MOTION: (Harry Matchett/Tom Brennan) Invest \$225,000.00 into a CD to mature in five (5) years (2021) based on the primary market rate of the five (5) year CD.

Vote: Motion Passed – 6 ayes/1 nay (Walsh)/0 abstentions

7. Pool Furniture Inventory

Tom Brennan noted that he plans to meet with Community Pools at the pool on Monday night to help inventory the pool equipment and furniture.

It was noted that the bath house should be cleaned before any of the furniture is moved into it for winter storage. The Board requested that Management look into a cleaning service to thoroughly clean the bathhouse before the furniture in the meantime. Tom Brennan also noted that it may take Community Pools another month before the furniture could be placed in the bathhouse. The Board agreed that it would be okay if the furniture was not put into storage in the bathhouse for another month.

8. Pool Maintenance Contract

Harry Matchett noted that the pool contract states that, after the first season, it will automatically renew with a five percent (5%) increase in the pool contract unless Community Pools is notified by September 15th by certified letter from FHCA.

MOTION: (Tom Brennan/Hari Donthi) Have IKO send a certified letter to Community Pool Service by September 15, 2016 that FHCA will not automatically renew the pool management contract.

Vote: Motion Passed – 5 ayes/2 nays (Walsh/Mahabir)/0 abstentions

9. Pool Pass System

Management noted that the pool pass scanner has not been functioning properly for several weeks. Tom Brennan is willing to take the system home to try to repair it. The pool laptop will be stored at the offices of IKO. It was also noted that the pool safe is not working properly. Management noted that the scanner system can be locked in the closet when the pool is closed. It was noted that the safe may just need a battery.

10. Pool Whitecoat

Management noted that Community Pools reported that a new white coat would be needed for all three pools in order to obtain a 2017 County permit. Management provide the Board with a proposal from Community Pools for the white coating of the main pool. Management has also requested quotes from Community Pools for white coating of the other two (2) pools.

The Board also requested that Management obtain other opinions on the white coat condition of the pools and provide other proposals for this work.

11. Legal Counsel Retainer Agreement

Management noted that the legal counsel contract with Whiteford, Taylor and Preston is now two (2) years old and should be reviewed. Management noted that the Board should also discuss the retainer/non-retainer option of the contract. The Board discussed whether to keep the retainer option in the contract or not. Several Board members noted that the retainer was not needed in the contract. Other Board members noted that the Association does not fully take advantage of the retainer option, and it should remain in the contract. The Board agreed to leave the retainer in the contract.

12. Tree Work Update

Management met with Tom Brennan and an arborist from Lee's Tree Service on Monday, August 29th to evaluate trees for hazardous conditions/removal.

Management noted that the verbal quote provided from Management last month for removal of three (3) trees in the amount of \$1,000.00 could not be found and that the only tree that is an immediate hazard is at 18625 Autumn Mist Drive. The total cost for removal of this tree is \$1,575.00, which includes removal of the tree, grinding the stump, removal of the stump mulch and soil, seeding, and placing straw. This price is less if the mulch is left on site. The Board also requested that Management inquire about the ten percent (10%) discount for any of the work by Lee's Tree Service.

Frank Walsh inquired about the status of the other trees listed on the proposal from Lee's Tree Service. It was noted that these trees are not considered a hazard and do not need immediate action.

MOTION: (Siu Poon/Tom Brennan) Have Lee's Tree Service remove the tree at 18625 Autumn Mist Drive for no more than \$1,575.00.

Vote: Motion Passed – 5 ayes/2 nays(Lee/Matchett)/0 absentions

13. Tot Lot Mulch

Management noted that the lack of mulch in the tot lots is a safety issue. Sherry Lee noted that previously FHCA had moved up to number 3 for the free mulch, but Management put a hold on it until it was determined if this mulch was acceptable in tot lots by Montgomery County. It was noted that Montgomery county uses this mulch for its County playgrounds but the question of whether or not it is legal for the HOA to use them has not been answered.

It was agreed that Ms. Lee should check if there is any mulch available this late in the season. It was also noted that Harry Matchett, Nick Mahabir, Sherry Lee, and Tom Brennan were willing to help spread the mulch on the tot lots.

14. Storm Water Ponds Maintenance

The Association received several violation notices regarding the landscape maintenance of the storm water ponds in the community. Tom Brennan worked with the County to obtain an extension on the correction of these violation until October 10, 2016. The Board requested that Management check with Dunlevy whether the maintenance of the storm water management ponds was included in their contract. It was noted that it should be part of the contract as the only maintenance required is mowing the Storm Water areas and pick up trash.

It was noted that Management's spending limit is \$2,000.00 and Management should have the go ahead to approve the work of the storm water ponds to expedite the work, if it is not included in the D&A Dunlevy contract. Management will keep the Board updated on this matter and, if this work is not part of the contract, the Board can approve the work by email vote.

15. Contracts Update

The Board requested that Management send out RFPs for snow removal, landscape maintenance, pool maintenance, and fountain maintenance.

16. Covenants Inspection

Management inquired if the Enforcement Committee would be interested in performing a detailed inspection of the community with Management.

17. Fountain Maintenance Agreement

MOTION: (Nick Mahabir/Frank Walsh) All monies allocated in the 2016 budget for the operation and maintenance of said fountains, be returned to all residents who have been charged for such amenity in the same ratio that they were charged, in the form of a credit to their account; and that all such credits be applied to the homeowners' accounts within the next thirty days.

Vote: Motion Failed – 2 ayes/4 nays (Matchett, Donthi, Lee, Brennan)/1 abstention (Poon)

18. Knoble Repair Work

Management noted that the planned meeting between Knoble and several Board members did not take place. Management stated that she will talk with Knoble again about the two fountains and the pool concrete steps.

H. ADJOURNMENT

The Board discussed whether or not to move into Closed Meeting and since IKO is charging the HOA for their time after 10:00 pm the Board decided not to go into Closed Meeting.

MOTION: (Tom Brennan/Siu Poon) Adjourn the Board of Directors Meeting at 10:11 p.m.

Vote: Motion Passed – 6 ayes/1 nay (Brennan)/0 abstention