

Fountain Hills Community Association
Board of Directors Meeting
May 5, 2022

The Board of Directors of Fountain Hills Community Association held a Virtual Board of Directors Meeting on Thursday, May 5, 2022 at 7:30 p.m.

Board Members Present:

Jackie Arnold
Edgard Aspilcueta
Nancy Dofflemyer
Jeff Chai
Jeff Green
Grant Izmirlan
Frank Walsh (7:35 p.m.)

Management Present:

Delphine Matthews, Senior Portfolio Manager

I. CALL TO ORDER

The Board of Directors Meeting was called to order by Jeff Chai at 7:32 p.m. with a quorum of six Directors present. Frank Walsh joined the meeting at 7:35 p.m.

II. PREVIOUS MEETING MINUTES

The Board of Directors had reviewed draft minutes of the April 7, 2022 meeting. **Jeff Chai made a motion, seconded by Grant Izmirlan, to accept the draft minutes as presented. The motion carried six to zero with no abstentions, Frank Walsh not having arrived at this time..**

III. OFFICER REPORTS

No reports were presented.

IV. COMMITTEE REPORTS

ARC Committee: There was no April ARC meeting as no applications were received.

Landscape Committee: The Committee could not meet as quorum was not achieved. Enforcement Committee: No April meeting was held but an inspection was conducted with forty-three notices sent and four vehicles were towed.

Pool Committee: The Pool Committee did not meet in April but will schedule a May meeting. Delphine Matthews inquired whether the drinking fountains should be left on or off for the 2022 season. One leaks and may require repair or replacement. The Board of Directors resolved to have a plumber investigate and report potential cost of repairing or replacement the fountain.

IV. OLD BUSINESS

A. Tivoli Fountain Court Drainage

The tree removal and stump grinding has been completed but the clean-up insufficient; management has addressed this with the contractor. Brightview has been instructed to proceed with the swale installation. All adjacent owners were notified in advance.

B. Harmony Woods Lane Playground Area

Discussions with the Montgomery Parks and Planning representative, Steve Cerver, have continued without definitive answers. Delphine Matthews has proposed an onsite meeting with the representative and his team and the Board of Directors. The representative requests the presence of at least two Directors and asked the Association to share possible business hour appointments to schedule the meeting. Board and management will email to determine scheduling opportunities in the next couple weeks.

C. Condominium Documents Request

The Fountain Hills Condominium rescinded the request for financial documents which may be provided by a Board member.

D. Scarlet Mist Way Erosion

Brightview had placed sod on the area but the product does not appear to be fresh nor properly laid. Management is withholding payment. Owners in the area have been assisting with watering and Delphine Matthews will continue to monitor the sod's condition.

E. Village Homes Fund Transfer – Trash

Moving funds from the Village reserve fund to satisfy the shortfall from increased waste management costs had been discussed, but as the snow removal budget has a surplus, those funds will be used instead. The Townhomes' shortfall has been addressed using their contingency fund. The fifteen single family homes' shortfall will be addressed with increased assessments in the 2023 budget.

F. Tax Reimbursement – Overpayment

Delphine Matthews reported the \$3,049.52 tax overpayment to Montgomery County has been refunded to the Association after one year and three months' follow up by the management accounting team. The County noted this was one of the quicker refunds processed.

G. Parking Policy

A draft parking policy was mailed to owners in February but was not on the April agenda for action. The Board of Directors should discuss the policy and approve it with an effective date. Jeff Chai opened the floor for commentary.

Frank Walsh observed changing the stored vehicle term from thirty to fourteen days was acceptable but removing the process for reporting a stored vehicle would not aid enforcement. Jeff Green replied the process language was not satisfactory should an owner contest a tow. Reports should be made to management in writing/email and Enforcement would then monitor the vehicle and act accordingly. Frank Walsh recommended the phrase "other individuals appointed by the Board" be removed from 4.a (regarding individuals authorized to take parking enforcement action). Removing the language regarding a "recurrence within six months" (4.3) was good. Jeff Green stated the time frame language had been updated to be non-specific so as to comply with County requirements which have changed over time. David Holtzman suggested management develop a standard complaint form for residents to use when reporting parking issues. Jackie Arnold inquired whether the Condominium utilized such a form David Holtzman replied the parking enforcement at the Condominium was differently challenged than in the HOA so no form is needed. David Holtzman asked whether the Montgomery County seventy-two hour rule addressing towing for invalid registration had been updated. Jeff Green confirmed this was now in compliance.

Grant Izmirlian presented a motion to approved the Parking Policy with the amendment that the clause is 4.c “other individuals appointed by the Board” be stricken. Nancy Dofflemyer seconded the motion. The Board of Directors voted six to zero with Frank Walsh abstaining to approved the policy. No effective date was identified.

V. NEW BUSINESS

A. PSE Proposal

A set of street lights at Autumn Mist Drive and Rushing Water Way has been repaired but continues to fail. Power Systems Electric’s investigation noted a ground fault issue which must be addressed by refeeding underground wiring which has deteriorated. A proposal for \$4,715 was delivered. Jeff Chai asked if this could be funded from the reserves; Delphine Matthews confirmed as this would be a replacement item. Jackie Arnold inquired if other vendors might look at the issue; Delphine Matthews noted requesting other proposals would incur costs from the other providers and costs have already been incurred from PSE.

Jeff Green made a motion to approve the PSE proposal of \$4,715 to be funded from replacement reserve funds. Jackie Arnold seconded the motion which carried unanimously, seven to zero with no abstentions.

B. Fountains – WSSC Repair

After multiple visits, the WSSC has not yet resolved the meter vault issue reported by the plumber. Management placed an emergency call May 3, on which date the WSSC confirmed the meter vault was leaking. Today the plumber placed an emergency call to hopefully get the repair completed. If the WSSC persists in not fixing the meter vault leak, measure may be taken to escalate the urgency with them.

C. Proposed 2023 Budget

The proposed 2023 budget has one revision since first mailed out (an increased assessment of \$2.35 to the fifteen single-family homes to cover the January through June 2022 higher cost of waste management service). The 2022 shortfall in the Village and Townhome budget for waste management has been satisfied respectively with surplus funds from the snow removal budget and from the contingency fund.

Delphine Matthews clarified to those members present that reserve funds do not exist as a contingency or “rainy day” fund or savings account. The reserve funds exist to replace various items as their end of life approaches. The Board of Directors has been using the reserves over the past year to replace items which may have had a longer useful life if properly maintained in the past. Some items were not properly maintained and irrevocable damage occurred; the Board of Directors took appropriate measures to replace the items. The Board has not been over-spending the reserve funds. Deferred maintenance and the current economy resulted in higher project costs than calculated in the 2021 reserve study. Previous budgets which did not increase or in some years decreased assessments did not sustain the reserve funds to meet the current schedule of needs. The Board of Directors has been using the reserve funds as intended. There are two budgets for the Association, the reserve funds for replacement or refurbishment of items and the operating funds for maintenance and day to day services and needs.

Clay Vaughan noted no increase to the lawn maintenance budget: \$183,996 was budgeted for FY2022 and again for FY2023. He noted aeration and over seeding is needed in areas as is tree and

shrub planting; a three percent increase would help fund these improvements. Delphine Matthews replied the proposed budget contained \$7,000 for tree and shrub planting. The Board would need to address aeration and over-seeding; options could include using part of the \$39,000 operating contingency or skipping one season's mulching which could fund turf maintenance to one-quarter to one-third of the community. Clay Vaughan noted no increase proposed to the Brightview maintenance contract. Delphine Matthews stated the Landscape Committee had indicated their interest in reviewing proposals from other providers and noted this could leverage holding the contract at the same cost. Jeff Green observed the landscape maintenance contract spans two fiscal years and will not always conform exactly to the budget; surplus funds are also available in the operating budget at this time.

Frank Walsh stated the trash assessment should be raised to offset delinquent homes receiving the service so no general funds would be used for this expense. Delphine Matthews replied the general funds are not used to pay these invoices. David Holtzman requested management commit to review unpaid assessments and adjust or transfer funds as needed to cover any shortfall in revenues to support the cost of trash service without tapping the general fund. Grant Izmirlian inquired how funds are generated for this expense. Delphine Matthews noted the Village and Townhome budget contain contingency funds or surplus snow removal funds and the single-family homes have been assessed a surcharge to repay their share. Grant Izmirlian asked what would be done should no surplus funds be available? Delphine Matthews stated a loan could be made from the reserve account if necessary. Jeff Green identified two issues. First, the increased 2022 waste management expense which has been satisfied by snow removal surplus, the operating contingency fund and back-loading the single-family cost. Second, where do funds come from if owners are not paying assessments? David Holtzman stated as forty owners regularly do not pay assessments, the Condominium is sharing in that cost, now \$10 per unit per month. Delphine Matthews enquired how David Holtzman knew the number of delinquent owners. Any financial report provided to the Condominium was to have individual account information redacted. Sharing of this information was inappropriate. David Holtzman reiterated that condominium owners should not be bearing the cost of trash collection for the other home types.

Nancy Dofflemyer presented a motion to adopt the proposed FY2023 budget. Jackie Arnold seconded the motion.

Frank Walsh stated the water quality protection fees should be funded solely from the Townhomes. Delphine Matthews observed changing this portion of the budget would require attorney review as the funding has not been solely supported by the Townhomes in the Association's history. Frank Walsh requested this review be conducted next year. Frank Walsh reiterated use of the general funds to trash collection was not correct; Delphine Matthews replied this is not the practice. Frank Walsh recommended keeping the Townhome contingency budget the same rather than decreasing the amount. Delphine Matthews noted this was up to the Board of Directors to decide. Jeff Chai asked what were possible ramifications if the proposed 2023 budget was not approved at this meeting. Delphine Matthews noted preparing and disseminating a new budget with the required thirty-day review by owners would push the adoption date to the July meeting. Coupon booklet printing would be delayed and eleven payments would need to be back-loaded.

The vote was called and the motion to adopt the proposed FY2023 budget was approved six to one nay (Frank Walsh) with no abstentions.

VI. HOMEOWNER FORUM

David Holtzman announced a major construction project will commence when the permits are received, anticipated start date is mid-May. All condominium balconies will be replaced, a process estimated to last eight months. The condominium parking lot will become a heavy construction area and materials will be stored near the tot lot. Construction traffic will impact Fountain Club Drive at times, the HOA will be notified of events as the project progresses. Parking limitations will primarily be during the day; the Parks & Planning Commission will be contacted to allow overnight parking at the Fountain Hills Park for some events. Grant Izmirlian asked whether the Condominium would be repairing the deteriorating concrete slabs at the base of the stairwells. David Holtzman replied the Condominium planned to address the slabs at the Craftstar buildings this year.

Nancy Dofflemyer reported children playing in the fountains and parents allowing this. She recommended adding information regarding staying out of the fountains to any upcoming notices to the community as well as signage at the fountains. After discussion of signage types, costs and consequences to offenders, the Board resolved to install two metal posts with signs at each fountain at an approximate cost of \$250 each. Delphine Matthews will provide draft language to the Board for the signs. She also suggested residents could contact police and report the fountains being vandalized if people are in/on the fountains.

Brent Walker inquired whether each home would be provided a trash can under the new waste management agreement and whether collection would only be performed once weekly. He expressed concern this could promote increased rodent activity in areas of the community. Delphine Matthews replied the waste management provider did not offer many options with this change in their service procedure and the price is competitive for the market. Twice weekly collection would double the cost per unit from \$10 to \$20 per month. A second trash can may be provided to homes for an additional fee. Brent Walker thanked Delphine Matthews for her clarification of the use of reserve funds.

Jackie Arnold has noticed a towing sign down at Little Star Lane and Clopper Road. Jeff Green will have Sherry Lee address with the towing company.

JoAnn Windsor observed the Board meeting agenda had not been posted to the website for the past two months. The Board recognized this oversight and will correct the practice. Delphine Matthews noted the agenda is posted on the IKO portal. JoAnn Windsor asked where the total delinquency figure stands. Management will look up the figure.

VII. ADJOURNMENT

Jeff Chai motioned to adjourn the Board of Directors meeting at 9:17 p.m. the motion was seconded by Nancy Dofflemyer and carried seven to zero with no abstentions.

Respectfully Submitted,

Marcy Grove